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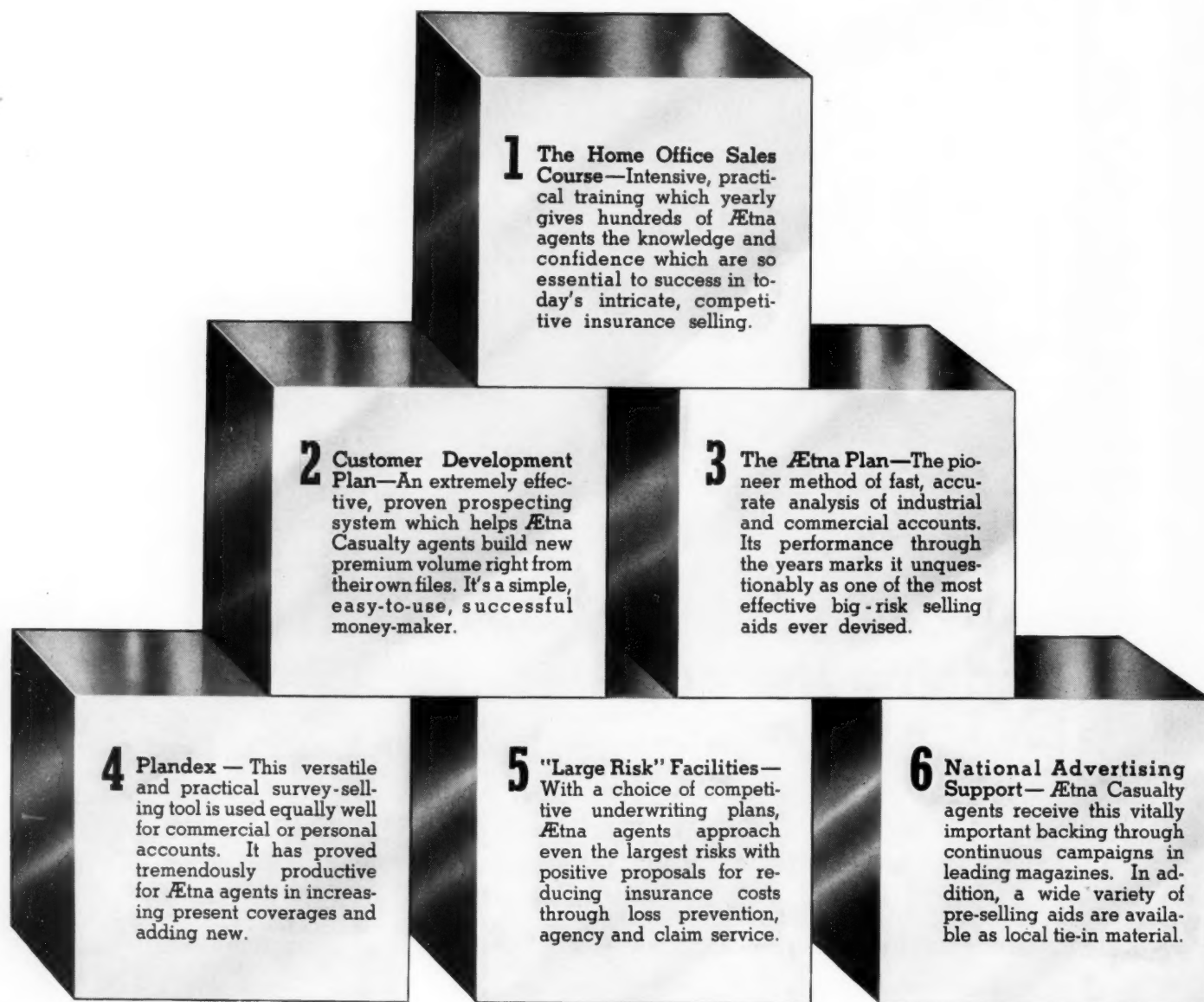
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THURSDAY, MARCH 1, 1956

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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

60th Year, No. 9
March 1, 1956

N. Y. Welfare Fund Bill Goes in, Still Premium-Tax Free

Incentive to Self-Insure Puts Group Insurers in Bad Competitive Spot

ALBANY—By not designating self-insuring employer-employee welfare funds as "insurers," the administration bill introduced here to curb abuses in the handling of these funds would put group insurers in what they say is an impossible competitive situation.

The bill itself contains no reference to premium taxes. Premium taxes on domestic insurers are imposed under the tax law, not the insurance law, which the bill would amend. But since the premium tax provision in the tax law applies only to insurers, the huge and growing self-insurance operations of the welfare funds would pay no premium tax unless the tax law or the welfare-fund bill is changed.

The premium tax advantage is so great that in a fund large enough to self-insure with safety it would be virtually mandatory on the trustees to do so. The maritime union fund, which elected to switch from insured to self-insured operation, estimated it would save some \$80,000 a year in premium taxes by doing so.

Premium taxes on all forms of group insurance covering workers in New York state run about \$5 million but not all of this applies to union welfare fund business. Still, there would be a substantial revenue loss to the state should the premium tax advantage siphon business off from the group insurers to the extent that might reasonably be expected.

The state authorities were aware of the loss in revenue the state faces if self-insuring welfare funds are allowed the advantage given them under the new bill. One way of remedying it, of course, would be to amend the tax law so as to make the self-insuring welfare funds subject to premium tax even though not defined in the insurance law as insurers. This would certainly make the unions articulately unhappy.

The other would be to amend the tax law so as to exempt from tax all premiums received by insurers on welfare-fund business. This idea is getting more serious consideration than would be thought possible, considering the usual attitude of beating the bushes for new tax money rather than giving up any present sources of revenue.

For one thing, the Republicans and the Democrats in the state legislature are off on a tax-reduction binge, each party trying to outdo the other in getting credit for whatever cuts are made. Hence, the ideal of eliminating the premium-tax discrimination between insured and self-insured funds by giving the former the same tax-exempt

(CONTINUED ON PAGE 30)

\$4½ Million Loss as Winds Whip Five Midwest States

The windstorm which whipped through five midwestern states on Feb. 24 and 25 resulted in more than 75,000 losses totaling more than \$4,500,000 according to early estimates by adjusters in the area.

The storm began in southwestern Missouri late Friday evening and travelled in a northeasterly direction through eastern Missouri, southern Illinois, southern Indiana, western and central Kentucky and most of Ohio. Winds were of a sustained velocity of 50 mph with gusts reaching 90 mph. Winds of tornado force struck Summerfield, Ill.; Shelbyville, Ind., and Hamilton, O.

Western Adjustment, in a letter to companies, has traced the path of the storm and listed estimated losses by states.

MISSOURI—The storm first hit the Joplin-Carthage area as hail late Friday night resulting in more than 1,000 losses averaging \$50. The winds increased to 60-80 mph as they struck Kennett, Poplar Bluff and St. Louis.

(CONTINUED ON PAGE 40)

Zook Western Chief; Bowen, Martin Also Promoted by National

National of Hartford group has made important changes in western department management, effective March 1.



C. L. Zook

Associate Manager C. L. Zook is promoted to general manager of the western department at Chicago with over-all management responsibilities. Assistant Managers L. N. Bowen and W. F. Martin are promoted to associate managers. Assistant Managers H. G. Freitag, R. H. Osborne, and E. E. Humphrey, as well as Agency Superintendent J. A. MacLean of the casualty and surety department will continue in their respective executive positions. F. F. Leali continues as general adjuster and claims attorney and R. W. Brundick as comptroller.

Mr. Zook is a graduate of Baker University.
(CONTINUED ON PAGE 40)

Michigan Midyear Draws Near Record Crowd to Detroit

More Than 600 Turn Out for Program of Selling Ideas

By JOHN C. BURRIDGE

DETROIT—Michigan Assn. of Insurance Agents last week held one of its most successful mid-year meetings in history, with registration exceeding 600. Advance notices stressed that the program would concentrate on selling and sales ideas, and the turnout indicated exceptional interest in this phase of the business. The speakers lined up by Secretary-Manager W. O. Hildebrand carried through the theme in admirable fashion.

While there was a good deal of talk of competition in the lobby and headquarters rooms, the agents seemed to feel they were in a position to cope with that aspect of their operations, and during the formal sessions the attitude was one of optimism and enthusiasm.

About the only diversion from the sales theme were references to the legislative situation. The Michigan legislature is now in session, and mention was made on several occasions of the progress of bills, especially the recodification of the insurance laws. Mr. Hildebrand, who is a lobbyist premier, was referred to by all those touching on legislation as the key man in this picture. Commissioner Joseph Navarre of Michigan said he would be in most difficult straits without the help of Mr. Hildebrand, and the vital position the Michigan secretary-manager occupies in the watching over of insurance bills was acknowledged on all sides.

Headquarters rooms at the Michigan meeting were prevalent but not widely advertised. Mr. Hildebrand has been conducting a private war with Western Underwriters Assn. over the WUA recommendation that its members abstain from such activity during state agents' conventions. However, the companies have found it most difficult to comply with this 100%, and the practice seems to be to have a representative number of field men on hand in rooms open to company agents. There were no signs in the halls or elsewhere. As a matter of fact, this less blatant practice is about what WUA had in mind. The bulletin board at the registration desk carried the names and room numbers of the casualty companies and the independent fire companies, but only two or three WUA members. However, the WUA companies were well represented in a quiet way.

President Gerry Fauth of Flint presided as the first session opened Thursday morning and Fred C. Esper, president of the Detroit association, brought greetings from the host board.

(CONTINUED ON PAGE 30)

Late News Bulletins . . .

Kelly Elected Commissioner in S. C.

R. Lee Kelly, acting insurance commissioner of South Carolina since D. D. Murphy left the department in 1954, has been elected insurance commissioner by the legislature. This was by acclamation. Mr. Kelly has had a busy time since he took over the acting commissioner post. Latterly he has been engaged in efforts to get the insurance laws of the state revised and modernized, particularly with respect to larger financial requirements for insurers entering the state or starting in business.

Frowns on New W. Va. Taxes

Commissioner Gillooly has expressed belief that the new corporation tax on domestic and out of state insurance companies will force a considerable number of companies to leave West Virginia, perhaps as many as 200, or one-third, of those the state licenses. The tax, effective July 1, assesses all insurers \$250 to \$5,000 a year, depending on the total capital or unassigned surplus, whichever is greater.

Presently the insurance department collects a \$50 annual license fee from the approximately 600 insurers operating in the state and gets another \$50 when the company files its annual report. This is in addition to the premium tax.

Mr. Gillooly said West Virginia law requires fire and casualty insurers doing business there to enter into reinsurance contracts with other companies as a safeguard. Many insurers, he said, are in the state solely to engage in such reinsurance. Other companies would be discouraged from entering to develop business and those with a small amount of business are likely to leave.

The law is a departure from insurance taxation pattern nationally, Mr. Gillooly said, and may be challenged in the courts. Life Insurance Assn. of America and others have contended it imposes a tax on size without regard to business done or capital employed in West Virginia.

Empiro Files Tenants Endorsement

Multiple Peril Insurance Rating Organization has filed a tenants insurance endorsement in about 23 states. This offers tenants in one package with indivisible premium fire, extended coverage, additional EC, comprehensive personal liability, and theft to tenants. There is a \$50 deductible for AEC perils and for wind and hail where applicable. There are several differences between the endorsement and the tenants insurance policy or TIP which Chubb & Son introduced last year.

Boosting Disability Benefits in N. Y.

The New York legislature has passed and sent to the governor a bill that would increase benefits under the disability benefits law from \$33 to \$40 a week and the payable term from 13 to 20 weeks.

Kremer Retires as Board Chairman of Hartford Fire

Charles S. Kremer has retired as chairman of Hartford Fire but will continue as a director and member of the finance committee. He was president of the company from 1941 to 1953.

He started his career more than 50 years ago, working with local agencies and field and inspection bureaus before joining the company in 1910. Following his 12-year tenure as president, he was named chairman of the board in 1953. James C. Hullett succeeded him as president.

Mr. Kremer served on committees of National Board and Eastern Underwriters Assn. He is past president of Factory Insurance Association and has served for many years as a director of Hartford National Bank & Trust Co. and Sanborn Map Co.

William Otter, V-P of Marsh & McLennan, Is Retiring March 1

William Otter, vice-president of Marsh & McLennan, is retiring March 1. He will continue as a consultant. Mr. Otter has been with Marsh & McLennan for more than 58 years, and has been a senior officer since 1926.

L. & L. in Dick General Agency

CHARLOTTE—Hugh F. Dick & Co. general agency has been appointed general agent for North Carolina for London & Lancashire and Orient. The firm has represented Standard Marine of that group for a number of years.

Inglis to Become V-P of Auto Club of Southern Cal.

President Ralph J. Inglis of Founders of Los Angeles as of April 1 will resign to become vice-president of Automobile Club of Southern California and will manage the inter-insurance exchange and other insurance operations.

E. E. Sawyer has been elected president of Founders and a director. Mr. Inglis also was elected to the Founders' board.

Harry J. Bauer remains as president of the Automobile Club and Norman P. Thompson is executive vice-president in charge of over-all operations.

Mr. Inglis' appointment is concurrent to the notification to stockholders of Standard Accident that as of September, 1958, the automobile insurance arrangements between Standard Accident and the Southern California Automobile Club will be terminated. Announcement of the severance of this 41 year old contract was made public by L. K. Kirk, president of Standard, in his report to stockholders.

Automobile Club of Southern California has been operating only in that state and writing business at the approximate rate of \$20 million in earned premiums on automobile physical damage and PDL. The bodily injury business plus a small amount of PDL in Standard has been at the rate of about \$16 million, and in addition the club has a representative business through Cass & Johansing as general agents in personal accident, workmen's compensation, comprehensive liability and commercial automobile fire and collision.

Mr. Inglis joined Associated Indem-

nity in San Francisco after graduating from the University of Washington, and later went to New York as vice-president and manager of the eastern operations. When American Automobile purchased Associated Indemnity, Mr. Inglis went to the home office in 1945 as vice-president of the group. In 1950 he went with Pacific Indemnity at Los Angeles as vice-president and joined Founders the following year. He was elected president of Founders in 1952. He is a past president of Pacific Insurance & Surety Conference and is president of Western Insurance Information Service and vice-president of California Insurance Federation.

Mr. Sawyer started in insurance in 1929 as a claims attorney for Associated Indemnity, and later served until 1947 as vice-president and general counsel. He joined Founders in 1952 and has been vice-president and general council in charge of claims.

AIU of Mass. Elects Collier President

Leonard Collier has been elected president of American International Underwriters of Massachusetts. He remains vice-president of AIU of New York and American International Marine Agency of New York.

Following three years with Commercial Casualty in the southeast, he joined AIU in 1939. He served five years in the Philippines, seven years in California as vice-president of the west coast affiliate, and four years in New York where he was vice-president of sales promotion, advertising and public relations.

Cal. First in Premium

Taxes on Surplus Lines

California ranks first in collection of premium taxes on surplus lines according to a report by Commissioner McConnell to Gov. Knight.

During 1954 the state collected \$631,509 on surplus line insurance written through 96 surplus and special surplus lines brokers.

Commissioner McConnell made the report in connection with his appointment as a member of the National Assn. of Insurance Commissioners' subcommittee named to study surplus line legislation and the desirability of adopting a uniform surplus line law.

Highlights of the Week's News

Aetna Fire group premiums and profit rise	Page 6
Peerless premiums up and losses down in 1955	Page 6
Investment consultant eyes current values and prospects of insurer stocks	Page 15
E. B. Whittaker terms potential in major medical enormous	Page 10
Company reports on 1955 results begin on	Page 26
Crum & Forster appointees have long service	Page 8
Midwest fights to keep Indiana from naming receiver	Page 33
E. H. Forkel honored on eve of departure for Hartford post	Page 33
Premiums, losses increase for Chubb & Son companies	Page 12
Phoenix, Conn., hits record in premiums, claim incidence high	Page 12
A. M. O'Connell tells Michigan agents to be salesmen, not consultants	Page 3
State Farm auto premiums pass \$225 million	Page 40
Ask Michigan solons to put glass on Blue Cross-Blue Shield	Page 4
Springfield group premiums up 3.7%	Page 4

Hanover and Fulton Purchase Yager & Co. Agency at Chicago

Hanover and Fulton will establish a Cook county department at Chicago April 1. The companies have purchased L. E. Yager & Co., a Hanover general agency at Chicago for more than 50 years. The entire staff of L. E. Yager & Co. is joining the new Cook county department, providing a staff that is experienced in multiple line operation.

George W. Anderson, for many years with the Yager general agency, will be Cook county manager. Other department heads also associated for many years with the general agency, are Arthur W. Nelson, fire superintendent, Robert Hopsicker, casualty superintendent, and Patrick J. Shanahan, executive special agent. George A. Frankel of the general agency will retire April 1, maintaining an office with the new department. L. E. Yager & Co. will discontinue operations as of March 31.

The office of the Cook county department of the Hanover and Fulton will be located at A-1903 Insurance Exchange building, Chicago.

Agricultural Names Wiley to H. O. Post

Agricultural and Empire State have named Raymond F. Wiley superintendent, and he will join the production department at the home office.

He has been with the companies in the Long Island field for nearly 15 years and has been largely responsible for the companies development of business in that area during that time.

Mr. Wiley's successor in the Long Island field is Allen H. Harris, presently serving with the companies as state agent in New Jersey. Mr. Harris was formerly in the home office of the companies.

1,298 Claims Totaling \$1.5 Million Filed Against Pioneer Mutual of N. M.

A total of 1,298 claims aggregating \$1,535,903 have been filed by Colorado policyholders against the bankrupt Pioneer Mutual Compensation of Albuquerque. The amount of the claims was almost double what had been anticipated.

Last April district court at Denver ruled that the Pioneer Mutual policyholders in Colorado would have to pay a \$2.2 million special assessment, and the policyholders took this to court, one of their biggest arguments being that the amount asked was double what was needed to pay claims, which had been estimated at about \$800,000. The assessment was equal to one year's premium on all Pioneer policies held at any time during the year prior to March 31, 1954, and was levied on the 50,000 policyholders of Pioneer in Colorado.

The failure of Pioneer Mutual Compensation created quite a stir. The company had been writing business at off-manual rates and had been in a shaky condition for a while prior to its collapse.

Pittsburgh Exam Review

PITTSBURGH—D. B. Pastorius, special agent of North British, will conduct the license examination review course at University of Pittsburgh here, starting April 3. The course will cover both fire and casualty insurance, with five sessions during evenings and Saturday morning. The state examination date is April 14.

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Around the Clock

Be Salesmen, Not Consultants, O'Connell Advises Michigan Agents at Detroit Rally

The insurance agent is a salesman, not a professional counsellor, Arthur M. O'Connell of Cincinnati emphasized in his address before the mid-year meeting of Michigan Assn. of Insurance Agents last week at Detroit. Mr. O'Connell, who is a member of the executive committee of the national association, said, "We are, or rather we should be, salesmen in the purest sense of the word."



A. M. O'Connell

The criticism has been made that local agents have forgotten how to sell, and Mr. O'Connell said if this is the correct diagnosis, the agents must be the first to seek correction and be careful not to confuse lack of old fashioned selling effort with competition. Agents in the past sold insurance and introduced many lines that the public needed but did not want to buy. "For generations we have sold against every conceivable type of competition, stock, mutual and reciprocal. We sold against almost insurmountable obstacles, but we sold nevertheless, and as long as we paid honor to our calling we prospered and prospered and we continued to do so."

The customers and prospective customers look upon the agent as a salesman, Mr. O'Connell declared, and not as a doctor or lawyer or philosopher. "They look upon us as good salesmen, well informed salesmen and highly useful salesmen, but salesmen nevertheless. There is considerable evidence, though, that we have attempted to cast aside this designation, that we have oversold ourselves on the idea that we are 'professional people' and that our customers are expected to 'consult' us."

No matter what the agent may think to the contrary, the public does not consider him to be in the same category as the family doctor, the lawyer, or the clergyman, Mr. O'Connell said, adding that he is happy that agents are not restricted in their operations as is the truly professional man. An agent is not prohibited from singing his own praises in whatever ethical fashion he desires. Even though many agents deserve a professional label, none of them can afford to rest on their laurels while less dignified competitors write the business. "I have yet to see a direct writing salesman who shuns the label of his trade or who took refuge in 'professional silence,' as his customers went elsewhere for the satisfaction of their insurance requirements."

Mr. O'Connell said the buying public does not believe agents are in any respect performing a mission, having only the opinion that they work for money. Agents sell a product and the more they sell the better job they can do for themselves. Among themselves, agents may know they are regulated and checked and restricted, that they belong to organizations designed to improve the business, etc., but the public has worries of its own and is still convinced that the prime mission of an agent is to make a sale.

Saying he could offer no formula

for producing business, Mr. O'Connell declared he had some guaranteed methods of losing it. Among these is a 35 hour week, and the reason this works well is because the direct writers work 52 hours a week, and that means working Saturdays when the customers are available and making night calls when the customer might

feel like talking insurance over a can of cold beer.

Another way to lose business is to simply renew the policy in the same amount, accompanying the bill with a form letter. This method insures that the customer will be impressed by the agent's advice, but he will probably give his renewal to someone who has him backed up against the wall.

"Another excellent method of remaining status quo, or even going backward," Mr. O'Connell said, "is to be scrupulously careful never to meet your customer face-to-face. Just call

him up on the telephone when he is watching Dragnet, or just when he has figured out the answer to the \$64,000 Question. Ask him to listen to your explanation of the comprehensive dwelling policy or the homeowners form B, or perhaps a comparison of the two. He'll love you for it and appreciate the fact that you didn't waste your time by asking for an appointment."

He noted that many agents manage to keep their volume down by writing letters to their customers on matters

(CONTINUED ON PAGE 39)

Highway Casualty Company

(A Stock Company)

Annual Financial Statement

December 31, 1955

ASSETS		LIABILITIES	
U. S. Government Bonds	\$1,858,658.34	Reserve for Losses and Loss	
Municipal Bonds	668,746.86	Adjustment Expense	\$2,784,470.55
Stocks	737,786.00	Unearned Premium Reserve	2,242,257.14
First Mortgage Loans (Real Estate)	507,075.00	Reserve for Taxes	26,014.65
Cash in Banks	1,203,009.25	Reserve for All Other Liabilities	86,197.31
Premiums in Course of Collection		Capital	\$300,000.00
(not over 90 days due)	996,983.62	Surplus	594,855.96
Accrued interest and Other Assets	61,536.54	SURPLUS TO POLICYHOLDERS	894,855.96
TOTAL ADMITTED ASSETS	\$6,033,795.61	TOTAL LIABILITIES AND SURPLUS	\$6,033,795.61

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Shop, Boiler and
Machinery — Com-
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NAVARRE CRITICAL

Ask Mich. Solons to Put Glass on Blue Cross-Shield

LANSING, MICH.—Resolutions calling for special legislative committee investigations of Blue Cross services in Michigan have been offered in both houses of the legislature. The probes were asked to culminate a series of developments which had their inception a few weeks ago when Michigan Hospital Service and Michigan Medical Service asked a 23% rate increase and were granted a 15% increase by Commissioner Navarre.

Proponents of a rival union-sponsored plan, still in the formative stage, consulted with the commissioner coincident with the conduct of a hearing in the house on a bill which would force the Blue Cross plan or similar hospitalization service programs on a deductible basis. This measure would require that subscribers to such services pay their own costs for the first day of hospitalization and 15% of costs after the first week.

Although this bill was viewed as meritorious by Commissioner Navarre, who was openly critical of the Blue Cross operations at present, it was widely rumored that it would not emerge from committee. Mr. Navarre also asked for a committee study of Blue Cross but this committee would be named by Gov. Williams.

Mr. Navarre told the house committee at its hearings that the Michigan Blue Cross, which has in excess of 3,600,000 subscribers, has been experimenting with a deductible plan

but he believes its effort along this line is "wholly insincere." He accused Blue Cross officials of failing to face up to their problems, declaring "this thing has been serious for years; it's about time Blue Cross woke up to it and quit running around with \$100 million in trust funds, doing as they please with it."

Bennett J. McCarthy, assistant director of Michigan Hospital Service, told the house committee that the deductible plan should not be made mandatory, contending it would handicap the service organization and that insurance companies operating in the same field would not be so restricted. He said subscribers have shown no disposition to sign up for other than the full coverage plan. He blamed the need for higher rates to a steady increase in hospital costs but conceded that "over-utilization" by subscribers has been a factor in that picture.

Mr. Navarre estimated that the deductible bill would reduce Blue Cross costs as much as \$20 million annually.

In his meeting later with would-be organizers of a rival service association, he told them that "there are no short cuts to state approval." Some 26 union leaders and Irving Kasoff, their attorney, appeared in behalf of their organization proposal which, they said, has the support not only of many Detroit unions but of several consumer co-operative groups. Kasoff asked that the commissioner seek an attorney general's opinion relative to validity of a provision in the present acts covering formation of hospital and medical services which requires approval of the directorates of any such organizations by the medical profession. He said his group intends a supreme court test, if necessary, of this requirement

which, it is felt, might block organization since state physicians control Blue Shield (Michigan Medical Service) and the hospitals are themselves controlling factors in Blue Cross (Michigan Hospital Service).

The twin resolutions calling for inquiries are senate resolution 11, offered by Sen. Leo Roy, Hancock agent and chairman of the senate insurance committee, and house concurrent resolution 30, introduced by Rep. William Romano, Van Dyke.

Mr. Roy's resolution noted the huge scope of the enterprise and the fact that it operates on a "tax-free" basis but, despite that fact, has been boosting rates. He said an interim committee should be created to "determine the reason for such discrepancies (the need for cost increases despite tax-free advantages) and whether or not the laws of the state should be amended in order to protect the public in this highly necessary field."

The house resolution would set up a committee to "study the factors causing the continuous series of increases in policy rates by such insurance companies... and to report its findings and recommendations to the legislature..."

Actually the Blue Cross-Blue Shield services operate entirely outside the insurance law and the only supervision allowed the department is jurisdiction over rates charged.

William S. McNary, executive vice-president and general manager of Michigan Hospital Service, took sharp issue with Commissioner Navarre in a statement in which he declared that "Blue Cross does not believe its members should be denied, by law, a comprehensive hospital contract if they prefer it." He said Blue Cross "considers the charges of bad faith and other misconduct to be wholly unfounded" declaring the organization has "continuously worked to improve its benefits, to reduce its operating expenses and to combat, as far as possible, the effect of inflationary trends in hospital costs."

Travelers Gets Huge Fire Alarm System

One of the largest automatic fire alarm installations ever made for the protection of office buildings will be completed this year in Travelers' new Main street building in Hartford.

Extending throughout all five of the buildings in the main group, from basement area to the top of the tower, the protection consists of 211 circuits of Aero Automatic Fire Alarm, requiring about 36 miles of one-twelfth inch copper tubing. If a fire occurs, a signal is automatically transmitted to the local fire department through the American District Telegraph central station and the fire is indicated on one of the two 150-drop annunciator panels in the first floor protection room of the building.

N. H. Agents Oppose Mutual Deviations

New Hampshire Assn. of Insurance Agents has recorded its support of the state insurance department's opposition to deviated rate filings by mutual to the extent of their dividends.

Commissioner Knowlton stated that since it was contrary to insurance laws to forecast dividends it would be unlawful to permit deviated rate filings to the extent of dividends. The association added that wholesale deviated rate filing could cause a rate war.

Springfield Group Premiums Up 3.7%, Surplus Increases

Premiums written in 1955 by Springfield F&M and its affiliates, New England and Michigan F&M, were \$52,178,489, a 3.7% increase.

Policyholders' surplus rose to a record high of \$55,755,097, an increase of \$6,265,542.

The ratio of losses and loss adjustment expenses to premiums earned was 57.5 and the ratio of expenses and taxes, excluding federal income taxes, to premiums written was 44.5.

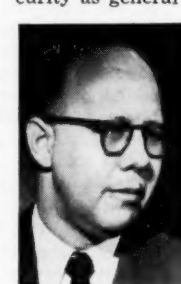
There was a statutory underwriting loss of \$885,940.

Consolidated earnings from underwriting and investments amounted to \$2,037,197, equivalent to \$2.91 a share after federal income taxes. Investment income amounted to \$2,943,467, an increase of \$89,500.

Consolidated assets of the companies reached an all time high of \$122,243,090, an increase of \$3,968,134.

Benedict to Head Casualty Unit of Ohio Security

Thane Benedict is joining Ohio Security as general manager of the general manager of the casualty department.



Thane Benedict

Mr. Benedict has been in insurance since 1937, starting with Travelers at Grand Rapids. Later he was with the Wardle agency at Ionia, Mich., which had been operated by his father, and in 1944 he went with Johnson & Higgins of Illinois as a casualty underwriter.

Mr. Benedict joined General Accident in 1946, traveling Illinois and Iowa, the following year went to Buffalo to open an office. In 1948 he joined Ohio Casualty as home office underwriter, subsequently becoming manager of the home office branch. Most recently he has been co-manager at Cincinnati for Ohio Casualty.

Miles J. Novak Joins Enger, Barnett & Hurwith

Howard K. Hurwith, of Enger, Barnett & Hurwith, Chicago general agency, announces the association of Miles J. Novak as a member of the firm. His duties will consist of executive administration and further development of the Lloyd's business and reinsurance, both treaty and facultative. Mr. Novak started in insurance in 1935 and previously until recently was vice-president of MacGibeny-Grupe and prior to that vice-president of Leslie H. Cook, Inc.

Enger, Barnett & Hurwith was established in 1850 and operates on a nationwide basis.

N. D., Okla. Adopt Marine Definition

North Dakota and Oklahoma adopted the marine definition effective Feb. 1 and Feb. 16 respectively.



M. J. Novak

Link by Link

Your business grows soundly... steadily... with **DUBUQUE F&M!**

Dubuque F&M has had no meteoric rise. It didn't burst full-blown on the insurance scene. Its rise has been steady, slow and sound. Its coverage and position have grown logically, progressively.

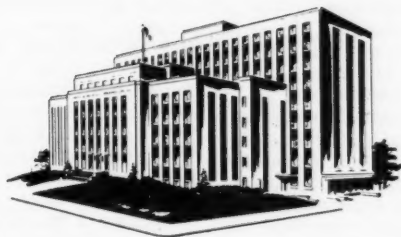
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Aetna Fire Group Premiums, Profit Rise During 1955

Aetna Fire group's written premiums totaled \$139,540,588 in 1955, a \$7,-



Clinton L. Allen

251,697 increase, Clinton L. Allen, president, reported to shareholders. The underwriting profit of the group totaled \$516,897, compared with an underwriting loss in 1954 of \$492,044. Mr. Allen noted in his report the severe losses produced by wind and flood and the carry-over of \$2,500,000 in hurricane claims that occurred in 1954 but were reported in 1955.

Written premiums on fire and allied lines totaled \$68,419,717, an increase of \$3,081,683, and on these lines the incurred to earned loss ratio of 51.5% decreased slightly, .6%. Casualty lines, consisting chiefly of automobile, accounted for \$50,592,698 of premium income, up \$2,447,608. Here the incurred loss ratio to earned premiums was 49.1%, a decrease of 1.6%. Marine lines accounted for \$20,528,173 of premiums, a gain of \$1,722,406, and had an incurred to earned loss ratio of 54.9% up four points from 1954.

Policyholders' surplus increased \$8,-431,953 to a total of \$77,677,270. Net operating income after taxes was \$4,756,760, up \$1,281,068. Investment profit was \$6,097,083, an increase of \$695,914. The company has accelerated its program of investing increasingly in tax exempt obligations, Mr. Allen reported. This has increased investment earnings materially and reduced federal income tax. At year end, 34.9% of the group's investments were represented by tax exempt securities, compared with 3% six years previously. The effective tax rate on investment income now is about 21.5% on an annual basis. Mr. Allen reported that this was partly responsible for consolidated net investment income reaching a new high.

Mr. Allen emphasizes the rising competitive tempo, which was at an all-time high during 1955 and still continues. The company is exploring electronic data processing, but does not propose to make any change in processing procedures pending definite determination of actual economies available. The company also has modernized

Premiums Up and Losses Down for Peerless in 1955

Premiums written by Peerless in 1955 totaled \$12,003,506, a 15% increase over 1954, Dudley W. Orr, president, reported to stockholders.

Net income was \$886,633, equal to \$1.49 per share, compared with \$666,547, or \$1.27 per share for 1954. After adjustment to reflect 35% equity in unearned premium reserve and undistributed earnings of United Life & Accident, an affiliate owned 72.9% by Peerless, earnings were equal to \$2.11 per share in 1955 as against \$1.47 in 1954. Net investment income was \$633,716.

Losses and loss expense incurred to premiums earned of \$10,618,796 was 50%, and net underwriting profit \$543,893, compared with 53% and \$544,977 in 1954. Underwriting expenses incurred amounted to 39.7% of premiums written compared with 40.8%.

Peerless had an unearned premium reserve of \$7,100,496 at year end, compared with \$5,715,785. Assets reached \$29,209,441, from \$26,860,577. Policyholders' surplus was \$10,973,696, up from \$10,377,371.

Mr. Orr reported that despite the trend toward high jury verdicts, Peerless had a very satisfactory claim experience in 1955. Claim frequency for all, other than reinsurance and A&S, was 6.2% less than in 1954. Branch claim offices are planned for Syracuse and Buffalo. Peerless entered Louisiana in 1955, and now is licensed in all 48 states, District of Columbia, Alaska and Puerto Rico, and applications are pending in Hawaii and Canada.

In reinsurance, Peerless's premium volume increased from \$3,400,000 in 1954 to \$5,300,000 in 1955, with the number of accounts increasing 15%. Reinsurance was more competitive last year than for many years, Mr. Orr reported, because of increased activity by foreign insurers and acceleration of the multiple line principle not only by primary companies but also by the development of ML departments by professional reinsurers.

American Surety has elected as a trustee George C. Textor, president of Marine Midland Trust Co. of New York City.

its insured pension plan, revising benefits to reflect current economic conditions and making it non-contributory for employees.

Assets reaches \$259,606,213 for the group, a increase of \$13,802,562.

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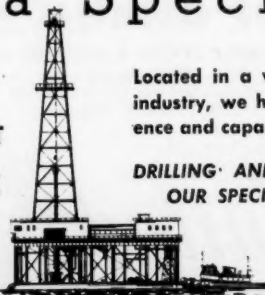
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LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 3,807,806.80	Reserve for Losses	\$ 16,918,000.49
Mortgage Loans on Real Estate	953,829.49	Reserve for Loss Expenses	1,516,210.00
Bonds and Stocks	155,874,898.18	Reserve for Unearned Premiums	53,802,706.05
Interest due and accrued	167,388.93	Reserve for Taxes and Expenses	2,043,389.98
Agents and Departmental Balances	4,752,931.47	Funds held under Reinsurance	8,023,156.81
Real Estate	3,086,000.00	Treaties	830,582.01
Equity in Marine and Foreign Insurance Pools	8,922,570.24	All other Liabilities	
All other Assets	1,447,167.79	Capital	15,000,000.00
Total admitted Assets	\$179,012,592.90	Net Surplus	80,878,547.56
		Total	\$179,012,592.90

SURPLUS TO POLICYHOLDERS \$95,878,547.56

Securities carried at \$3,290,509 in the above statement are deposited as required by law.

GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 324,812.04	Reserve for Losses	\$ 1,767,552.29
Mortgage Loans on Real Estate	1,587.22	Reserve for Loss Expenses	158,410.00
Bonds and Stocks	13,682,617.35	Reserve for Unearned Premiums	5,990,152.03
Interest due and accrued	37,449.56	Reserve for Taxes and Expenses	218,210.00
Agents and Departmental Balances	549,481.52	All other Liabilities	16,647.11
Real Estate	150,000.00	Capital	1,000,000.00
All other Assets	223,026.88	Net Surplus	5,818,003.14
Total admitted Assets	\$14,968,974.57	Total	\$14,968,974.57

SURPLUS TO POLICYHOLDERS \$6,818,003.14

Securities carried at \$795,921 in the above statement are deposited as required by law.

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 680,023.96	Reserve for Losses	\$ 1,767,552.29
Bonds and Stocks	13,043,157.07	Reserve for Loss Expenses	158,410.00
Interest due and accrued	30,204.44	Reserve for Unearned Premiums	5,621,178.24
Agents and Departments Balances	1,949,089.76	Reserve for Taxes and Expenses	217,010.00
Real Estate	66,000.00	All other Liabilities	143,355.35
All other Assets	73,741.45	Capital	1,000,000.00
Total admitted Assets	\$15,842,216.68	Net Surplus	6,934,710.80
		Total	\$15,842,216.68

SURPLUS TO POLICYHOLDERS \$7,934,710.80

Securities carried at \$1,822,477 in the above statement are deposited as required by law.

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 414,063.82	Reserve for Losses	\$ 4,797,641.93
Mortgage Loans on Real Estate	341,125.62	Reserve for Loss Expenses	429,970.00
Bonds and Stocks	37,241,875.34	Reserve for Unearned Premiums	15,257,483.80
Interest due and accrued	64,825.93	Reserve for Taxes and Expenses	593,570.00
Agents and Departmental Balances	3,076,329.33	All other Liabilities	61,930.64
All other Assets	169,171.28	Capital	3,000,000.00
Total admitted Assets	\$41,307,391.32	Net Surplus	17,166,794.95
		Total	\$41,307,391.32

SURPLUS TO POLICYHOLDERS \$20,166,794.95

Securities carried at \$2,754,310 in the above statement are deposited as required by law.

ROYAL GENERAL INSURANCE COMPANY OF CANADA

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 16,050.06	Reserve for Taxes and Expenses	\$ 3,863.32
Bonds and Stocks	404,720.00	Capital	100,000.00
Interest Due and Accrued	2,904.58	Net Surplus	350,415.93
Agents and Departmental Balances	30,604.61		
Total admitted Assets	\$454,279.25	Total	\$454,279.25

SURPLUS TO POLICYHOLDERS \$450,415.93

Securities carried at \$55,802 in the above statement are deposited as required by law.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,192,957.75	Reserve for Losses	\$ 18,266,637.50
Mortgage Loans on Real Estate	52,668.63	Reserve for Loss Expenses	1,878,775.00
Bonds and Stocks	46,831,032.27	Reserve for Unearned Premiums	14,818,502.75
Interest due and accrued	129,074.23	Reserve for Taxes and Expenses	1,428,986.73
Agents and Departmental Balances	4,448,971.92	Funds held under Reinsurance	
Equity in Marine and Foreign Insurance Pools	131,211.80	Treaties	263,540.22
All other Assets	191,657.78	All other Liabilities	113,860.34
Total admitted Assets	\$52,977,574.38	Capital	2,000,000.00
		Net Surplus	14,207,271.84
		Total	\$52,977,574.38

SURPLUS TO POLICYHOLDERS \$16,207,271.84

Securities carried at \$4,440,750 in the above statement are deposited as required by law.

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

JUNE 30, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,029,385.81	Reserve for Losses	\$ 22,479,011.00
Mortgage Loans on Real Estate	447,012.98	Reserve for Loss Expenses	2,240,947.00
Bonds and Stocks	55,260,072.59	Reserve for Unearned Premiums	17,323,404.31
Interest due and accrued	124,846.78	Reserve for Taxes and Expenses	1,245,916.41
Agents and Departmental Balances	4,616,631.15	Funds held under Reinsurance	
Equity in Marine and Foreign Insurance Pools	131,211.80	Treaties	704,439.64
All other Assets	342,316.04	All other Liabilities	181,720.92
Total admitted Assets	\$61,951,477.15	Capital	2,000,000.00
		Net Surplus	15,776,037.87
		Total	\$61,951,477.15

SURPLUS TO POLICYHOLDERS \$17,776,037.87

Securities carried at \$1,692,141 in the above statement are deposited as required by law.

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10 PARK PLACE, NEWARK 1, NEW JERSEY

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102 Maiden Lane, New York 5, New York

Western Department
120 So. LaSalle St., Chicago 3, IllinoisSouthwestern Department
912 Commerce St., Dallas 22, TexasPacific Department
220 Bush St., San Francisco 6, Calif.Canadian Departments
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.

Crum & Forster's New Appointees Have Long Service

New vice-presidents and managers appointed recently by Crum & Forster represent 254 combined years of



Robert R. Hayes



H. Faison Hines

service for the group. The vice-presidents are Ward S. Jackson of San Francisco, William A. Seely of Freeport, Ill., J. Fuller Glass of Durham, N. C., and H. Faison Hines of Atlanta. They are vice-presidents of Crum & Forster, U. S. Fire, North River and Westchester

Fire. The new managers are Edward W. Church in the Pacific department, Robert R. Hayes in the western department, Louis L. Sasser in the Virginia-Carolinas department, and Albert L. Sears in the southern department.

Mr. Jackson joined Crum & Forster in 1911. He worked through the underwriting department to a field man's position. In 1924 he was made manager at San Francisco and has held that post since then.

Mr. Seely joined the group in 1918 in the western department. Later he was special agent in Iowa and state agent in Indiana. He returned to the western department in 1929 as field superintendent and 10 years later was named assistant manager there. He is on the governing committee of Western Underwriters Assn., the executive committee of Factory Insurance Assn., and a director of Underwriters Adjusting Co., and Underwriters Salvage Co. His son, Ted, is a local agent at Freeport, Ill., and his son, William E. Jr., has recently been made a vice-president of the James B. Hill & Co. agency in St. Louis.

Mr. Glass joined Crum & Forster in

1919. He states that at first he was "more or less a grip-sack general agent on commission basis," and was associated with the late James O. Cobb with whom he organized Southern Fire of Durham in 1923. He was secretary and manager of that company until 1929 when he was elected president, a post he still holds. In 1923 Crum & Forster established the Carolina department with Cobb & Glass as managers. South Carolina was added in 1928. Mr. Cobb resigned in 1930 and Mr. Glass became manager. Virginia was added to the department in 1950 and the name was changed to Virginia-Carolinas department at that time. He was on the governing board of North Carolina Fire Insurance Rating Bureau from 1945 to 1952 and was chairman of the board in 1950-1951. He was reelected to the board in 1954. He had also been on the executive committee of the Crop-Hail Insurance Actuarial Assn. for the past three years and for two years he has been president of Southeastern Hail Conference.

Mr. Hines went with Crum & Forster in 1919 as Texas special agent. In 1921 he joined his brother in organizing Hines Brothers, managers for

Texas of Crum & Forster group at McKinney. In 1922 they went to Atlanta and took over the southern department of the group. J. Harrison Hines, his brother, retired a year ago, and H. Faison Hines became manager of the southern department. He served two years, 1953-1955 as president of South-Eastern Underwriters Assn. At present he is on the executive committees of SEUA, General Adjustment Bureau, Louisiana Insurance Advisory Assn., Arkansas Inspection & Rating Bureau and Texas Inspection & Rating Bureau.

He also serves on the advisory committees of southeast department of the Underwriters Salvage and Factory Insurance Assn. and the southern regional automobile committee of National Automobile Underwriters Assn.

Mr. Church started his career with Crum & Forster in the New York loss department in 1923 and transferred to the Pacific department in 1937 as manager of the loss department. After military service he returned to that department and entered the production, underwriting and agency superintendent phases of the business. In 1949 he was promoted to executive assistant manager. In recent years he has served on many committees of both Pacific Board and Pacific Fire Rating Bureau.

Mr. Hayes joined the western department in the accounting and underwriting departments and later went to Wisconsin, Nebraska and Oklahoma as special agent. He returned to Nebraska as state agent and then went to Minnesota in that capacity in 1945. He became assistant vice-president at the home office in 1954.

Mr. Sasser has spent his entire business career with Crum & Forster. He joined the company in 1921 when he went with Cobb-Glass general agency, whose principal companies were U. S. Fire and North River. He was special agent in North Carolina until 1923 when the department office was established. He became special agent in eastern and central North Carolina and was made assistant manager of the department in 1942.

Mr. Sears joined Crum & Forster in Texas in 1921. In 1922 the southern department was established at Atlanta and he transferred there. He went to Louisiana as a trainee special agent in 1923 and became state agent in Mississippi in 1924. Later he did field work in Texas, Tennessee and Georgia. Since 1946 he has been assistant manager of the southern department.

\$400,000 Fire Loss on Music Academy

Insured loss in a fire which destroyed the Academy of Music at Newburgh, N. Y., will run \$400,000, including exposure losses on adjacent and nearby buildings. Loss on the main building, which was insured by mutuals, was \$300,000 and loss on a rental policy on the building amounted to \$25,000. The contents loss on the theater was \$1,000.

Housed in the building were a boys' clothing store which sustained a loss of about \$2,100, and a shoe store which had a loss of about \$10,000.

Exposure loss will run \$11,500 for an adjacent building, \$1,105 for a building two doors from the academy, and \$1,300 on another. Water damage to a fourth building will be about \$1,000.

R. Baker Alexander has been named a partner in the Garrett agency, the oldest agency in Kalamazoo, Mich. He joined the agency in 1951 after newspaper and advertising work in St. Louis and Los Angeles.

SECURITY ★ STRENGTH ★ SERVICE

UNITED STATES RESOURCES AS OF DECEMBER 31, 1955

Year Estab- lished		ASSETS			LIABILITIES	CAPITAL	SURPLUS TO POLICYHOLDERS (Includes Capital)	
		Securities Deposited as Required by Law	Other Admitted Assets	Total Admitted Assets			Annual Statement Basis	Market Value Basis
1896	American and Foreign Insurance Co.	\$ 421,000	\$ 24,822,244	\$ 25,243,244	\$ 14,942,920	\$ 1,500,000	\$ 10,300,324	\$ 9,762,184
1863	*The British and Foreign Marine Insurance Co. Ltd.	1,000,000	15,144,437	16,144,437	9,477,132	* 500,000	6,667,305	6,300,907
1911	Globe Indemnity Company	1,084,092	77,347,730	78,431,822	44,829,852	2,500,000	33,601,969	31,865,218
1836	*The Liverpool and London and Globe Ins. Co. Ltd.	1,266,028	53,636,445	54,902,473	33,119,686	* 500,000	21,782,787	20,407,747
1811	Newark Insurance Company	767,000	31,749,319	32,516,319	19,499,728	2,000,000	13,016,591	12,368,247
1891	Queen Insurance Company of America	788,716	81,472,812	82,261,528	49,336,967	5,000,000	32,924,561	30,984,147
1910	Royal Indemnity Company	1,128,607	87,597,671	88,726,278	52,928,348	2,500,000	35,797,930	33,879,878
1845	*Royal Insurance Company, Ltd.	1,219,260	61,819,382	63,038,642	39,344,109	* 500,000	23,694,533	22,443,255
1896	Star Insurance Company of America	421,000	27,075,153	27,496,153	16,359,706	1,000,000	11,136,447	10,534,345
1860	*Thames and Mersey Marine Insurance Co., Ltd.	1,000,000	8,840,932	9,840,932	5,732,701	* 500,000	4,108,232	3,933,458
1832	Virginia Fire and Marine Insurance Company	421,000	9,449,176	9,870,176	5,778,083	1,000,000	4,092,093	3,925,491
† Group Total-Consolidated		\$9,516,703	\$476,222,099	\$485,738,802	\$291,349,232	\$16,500,000	\$194,389,570	\$183,671,675

† Consolidated Group Total eliminates ownership of Virginia Fire & Marine Insurance Company stock by Globe Indemnity Company.

* United States Branch. The amount shown under "Capital" is the statutory deposit required to transact business in the U. S. A.

CASUALTY—SURETY—FIRE—MARINE

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Whittaker Terms Potential in Major Medical Enormous

NEW YORK—Major medical is the coverage of the future, and in another



E. B. Whittaker

10 years there will be 100 million persons covered by it instead of the present four million, E. B. Whittaker, vice-president of Prudential, said in his talk here before the joint educational seminar of Bureau of A&H Underwriters and H&A Underwriters Conference.

dollar coverage. As the costs of basic go up, buyers will turn to major medical and be able to get it at a good price. Mr. Whittaker noted that Blue Cross started during the depression years as a means by which hospitals could get their bills paid.

The rate for major medical must be gauged to the risk assumed, he believes. The approach by way of average rate is thoroughly unsound. Analysis has shown that medical expense increases in roughly arithmetic progression with increase in salary. There is also the increase in claim cost with age. He commented on the one, two, three claim cost rate for children, customer and wife. The real hazard of major medical, he said, is No. 3, the woman at older ages.

The main future problems of group A&S which remain unsolved are long term disability and continuation of A&S into retirement, he commented. Long term disability is a very difficult problem. The insurers have not forgotten their losses under disability income in the 1930s, and they are re-

luctant to embark on long term disability at younger ages. The solution to the problem probably belongs in the area of the pension plan, he said. He thinks that there may be too little time for the private insurers to solve the problem, that the government may attempt a solution through extension of social security.

With continuation of A&S into retirement the business faces a task of experimenting slowly. Life insurance has met the issue with paid up term. The employer puts dollars into a fund to buy term insurance for the man after retirement. He can't buy paid up insurance because of the tax in the year the employee retires. U.S. Steel has been funding this benefit with insurer and then continuing the insurance on employees after retirement. Mr. Whittaker wonders if the same route cannot be followed in major medical.

In selling any other kind of group insurance, the salesman has a hard time getting in to see the prospect, Mr. Whittaker commented. With ma-

ior medical, he has a hard time getting out. It is the greatest attraction in the insurance business in 35 years, he declared. Nothing sells it like the facts, he added. The best sales material consists of an insurer's own major medical claim histories, and he presented several Prudential claims to illustrate his point.

For example, a major medical insured earning \$3,420 a year became obligated for a medical bill of \$13,853. The charges, followed in each case by the amount paid by basic coverage, were: Hospital room and board \$1,862, \$840; special services \$1,281, \$200; surgery \$500, \$225; medical expense \$608, \$280; and nurses \$7,222, physiotherapy \$1,123, drugs \$337, surgical dressings \$170, braces \$410; etc., nothing. Major medical paid \$9,418, basic \$1,545, and the employee \$2,754. Another case involved an allergy. Medical fees amounted to \$1,936 and drugs \$352. Total charges were \$2,390, of which major medical paid \$1,591 and basic coverage \$18. Another large claim included nursing charges of \$8,172, of which basic paid nothing. Mr. Whittaker wondered how anyone could talk of "full coverage" under basic.

"PEPPY FREDDY, the fieldman, says:

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South Dakota

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Kansas City, 6, Mo.

Muskegon Calls for New Bids on Municipal Cover

MUSKEGON, MICH.—The Muskegon city commission has voted to ask new bids for coverage on municipal property.

A stormy debate preceded the decision, with commissioners and insurance men ignoring parliamentary decorum. Barney Hasper, independent agent who challenged the placement of coverage through stock and mutual agents' associations and created the present controversy, was reportedly most active in the debate, ignoring the orders of Mayor Steiner to be seated.

Finally passed by a 4-3 vote was a motion by Commissioner Carlson to rescind previous action which authorized placement of the \$3 million coverage through the two associations.

New Hampshire Fire Makes West Coast Changes

New Hampshire Fire has named Edward M. Trausch resident manager at Long Beach, Cal., to succeed Edward D. Smith, who resigned to enter the local agency field there.

Mr. Trausch has been with the company for eight years. His most recent assignment was special agent for the Vernon area, where he will be succeeded by Jerry Bunnell, who was previously in charge of the Los Angeles office of the company.

Harbor Plans Stock Dividend

LOS ANGELES—Harbor of San Diego has applied to the California department for a permit to issue a stock dividend on the basis of one new share of \$10 par value stock to each 11 now held. This will bring the total number of shares to 110,000. Funds for the increase will be taken from surplus.

Detroit Telephone Directory Published

The National Underwriter Co. has just published the 1956 edition of the Detroit Insurance Telephone Directory, in which are listed the names, addresses and telephone numbers of persons and companies active in Detroit insurance. Copies may be ordered from the National Underwriter Co., 420 E. 4th street, Cincinnati. The price is \$1.00.

Factory Mutuals Still Study Flood Cover Possibility

WASHINGTON—Factory mutuals have not yet established whether or not the flood hazard can be insured by that group, Ambrose B. Kelly, general counsel, told the Senate banking and currency committee here.

His organization is still studying the possibility of making flood insurance available to its policyholders, he said. Its research has not established whether or not this hazard is insurable for the plants it currently insures, even though proper underwriting safeguards are incorporated in the plan. A most serious question, still unanswered, is whether a sufficiently large number of factory mutual policyholders would be interested in order to secure the necessary spread of risk.

Any program of flood insurance should be designed to use, to the greatest extent possible, present insurance facilities, he testified. In common with the remainder of the private insurance business, factory mutuals would be glad to cooperate in every way in the administration of any program which Congress may enact.

He said FM's efforts and those of other insurers to develop a practical flood insurance program would be assisted by a modification of the tax laws to make it possible to accumulate reserves for catastrophic losses, such as those likely to result from flood, without having such reserves subject to tax as profits.

Obviously, any program of flood insurance, whether public, private or a combination of the two, must be actuarially sound, he said. Any plan which simply provides government relief for flood victims should not be disguised as "insurance." Any insurance program should, therefore, be self-supporting over a reasonable period of time in accordance with basic insurance principles.

He said priority must be given by the government and property owners to prevention of flood loss. Federal, state and local governments can do much to reduce the damage now resulting from flood waters. The individual or corporate property owner, however, has an equal duty to do those things within his power, and they are legion, to prevent loss.

He pointed out that every effort made by factory mutuals to determine the sentiment of their policyholders has shown that a limited number are interested in flood insurance. However, through the technical committees of Factory Mutual Rating Bureau studies are being continued on the possibility of providing a plan through which factory mutual policyholders might obtain flood cover from the member companies of this group.

In reply to questions by Sen. Lehman, committee chairman, Mr. Kelly said whoever may be selected as administrator of a flood disaster insurance program would have to make a number of assumptions that could not be proved, in establishing its first schedule of rates on an experimental basis, which might turn out to be too high or too low.

Haviland Gets Sparks Club Award

James T. Haviland, senior vice-president of Lumbermens Mutual Casualty, has been given the Sparks Club of Pennsylvania honor award for 1955. The award, the second ever granted, was presented "in recognition of his outstanding contribution to the mutual insurance industry and his aggressive

participation in the cause of automobile safety in the Delaware valley area" by Joseph R. Grubb, Educators Mutual club president.

Sparks Club is an organization of mutual company field men and is the largest such group in the United States.

Roswell, N.M., Agents Elect

Robert V. Ely has been elected president of the newly organized Roswell Assn. of Insurance Agents.

Other officers are Lloyd Pierce, vice-president; Howard Hyatt, secretary, and C. H. Harrison and Bert Sheppard, board members.

Fireman's Fund Has Changes in New England Staff

Several changes have been made in the New England department staff of Fireman's Fund group. Roy A. French has been named manager for the states of New Hampshire and Vermont with headquarters at Manchester, N. H. He served as special agent from 1944 to 1951 and has been state agent since then.

Scovel M. Carlson has been named

supervisor of marine business in the New England department. Succeeding Mr. Carlson, Robert P. Cates has been appointed special agent for inland and ocean marine lines in western Massachusetts and New Hampshire. With Fireman's Fund since 1954, Mr. Cates has had 14 years' experience in the marine field.

Edmund P. Lynch Jr., has been named fire special agent in Rhode Island and southeastern Massachusetts. He joined Fireman's Fund in 1948, and was an underwriter in the Boston office before his present assignment.

REPORT to Agents and Brokers

1955 was a record year for American Automobile Insurance Company and its subsidiary. Premiums written, total assets and policyholders' surplus were the highest in the Company's history.

During the year American Auto continued to expand its multiple line operations. This program produced an increase in volume and a further diversification of our business. Premiums in fire insurance and allied lines, for example, increased 85.7% over the previous year. Gains were also experienced in virtually all other lines with the result that total net

premiums rose to a record high of \$82,131,693, an increase of 6.2%.

Since the Company's inception in 1912, its business has been produced only through independent Agents and Brokers. Claims, underwriting and service facilities are made available to our Producers through twenty-six major Branch Offices and fifty Service Offices located throughout the United States and in Canada. During 1955 the Company continued to increase the number of its Producer representatives.

Boz Z. Alexander

PRESIDENT

AMERICAN AUTOMOBILE INSURANCE COMPANY AND SUBSIDIARY

Financial Statement, December 31, 1955

ASSETS

	American Automobile Insurance Company (1)	Associated Indemnity Corporation (2)
Cash in Banks and Offices.....	\$ 5,210,987	\$ 803,929
U. S. Government Securities*.....	33,673,972	5,306,228
Canadian Government Securities*.....	1,632,636	—
State and Municipal Securities*.....	35,490,833	5,986,448
Preferred Stocks*.....	5,561,000	1,088,500
Common Stocks, except Subsidiary*.....	13,604,083	5,793,689
Stock of Subsidiary*.....	12,494,885	—
Real Estate.....	256,649	267,157
Agents' Balances (less than 90 days old).....	12,016,013	582,997
Accrued Interest and Miscellaneous Assets.....	871,239	70,820
Total Admitted Assets.....	\$120,812,297	\$19,899,768

LIABILITIES

Reserve for Unearned Premiums.....	\$ 43,509,003	\$ 850,090
Reserve for Losses and Loss Adjustment Expenses.....	29,435,363	5,106,837
Reserve for Taxes.....	2,968,825	741,348
Reserve for Policyholders' Dividends Declared.....	—	575,091
Reserve for Expenses and Other Liabilities.....	3,289,122	131,517
Total Liabilities.....	\$ 79,202,313	\$ 7,404,883
Capital Stock.....	\$ 3,500,000	\$ 1,000,000
Surplus.....	38,109,984	11,494,885
Surplus as regards Policyholders.....	41,609,984	12,494,885
Total.....	\$120,812,297	\$19,899,768

*The amortized and market values used in this statement are on the basis prescribed by the National Association of Insurance Commissioners. Securities carried at \$4,616,897 in the above statement for American Automobile Insurance Company and \$3,769,568 in the above statement for Associated Indemnity Corporation are deposited for purposes required by law.

(1) After merger with American Automobile Fire Insurance Company as of December 31, 1955

(2) Wholly owned by American Automobile Insurance Company

AMERICAN AUTOMOBILE INSURANCE COMPANY ASSOCIATED INDEMNITY CORPORATION

Head Office: PIERCE BUILDING, SAINT LOUIS 2, MISSOURI



**Automobile • Burglary and Theft • Fire • Fidelity • General Liability
Glass • Inland Marine • Surety • Workmen's Compensation**

Premiums, Losses Increase for Chubb & Son Companies

Premiums written in 1955 by Federal and its wholly-owned subsidiary, Vigilant, amounted to \$51,230,000, \$4 million more than in 1954. Net income of \$5,419,000 after federal income tax fell below the \$6,301,000 of 1954. These earnings were equal to \$2.01 per share against \$2.33 in 1954, and came 92 cents from underwriting and \$1.09 from investment income. The year before, underwriting produced \$1.33 per share and investment income \$1.

The loss ratio rose to 50.5% of premiums earned compared with 46.5% in 1954. The expense ratio declined to 37.3% of written premiums from 38.1%. Unearned premiums increased \$2,096,000. Lower underwriting earnings resulted from a combination of factors including the higher loss ratio, cumulative rate reductions, and the drag on

earnings induced by the increase in unearned premiums.

For Federal, assets passed \$155,800,000, up \$12,340,000, and policy-holders surplus amounted to \$86,278,000, up \$8,892,000.

Nine OL&T Changes by Mutual Bureau

A revision of bodily injury rates for OL&T in nine states have been made by Mutual Insurance Rating Bureau effective Feb. 29.

For area and frontage risks, the wide rate level percentage changes involved are Kentucky down 15.6; Massachusetts up 8.1; Mississippi no change; Rhode Island down 16.8; South Carolina up 25; Tennessee no change; Vermont no change; Virginia up .8, and Wisconsin, down 3.7. The changes also include a revision of the miscellaneous OL&T in the same nine states

Lowman Given New Title

M. P. Lowman, a director of Combined of Chicago, has been elected a vice-president of First National Casualty of Fond du Lac, Wis., a member of the Combined group.

Phoenix, Conn., Hits Record in Premiums, Claim Incidence High

Written premiums of Phoenix of Hartford in 1955 were \$78,357,034 a 3.5% increase, and the increase in earned premiums was about the same, according to John A. North, president, in his annual statement.

Losses incurred were \$40,745,601, a decrease from 1954 of \$818,000. The ratio of losses incurred to earned premiums was 52.28% less than the previous year. Included in the loss figure, Mr. North said, are several thousand late reported windstorm claims from 1954 hurricanes which substantially increased loss reserves in the early part of the year. Without any occurrence in the year so catastrophic as those in 1954, there were still many wind and hail storms, floods and large fires which, together with marine and casualty claims, brought the total number of claims of the companies to 311,632, 63,414 more than the previous year.

Claims adjustment expense was 6.4% of earned premiums and represents some of the burden of that expense carried over from previous claims, Mr. North said.

Other expenses, including commissions and taxes, amounted to 43.9% each of both written and earned premiums. Taxes of all kinds totaled \$2,860,450.

Unearned premium reserve remained almost stationary so that, because of heavy losses incurred, there was an underwriting loss of \$1,823,476, compared with \$3,217,167 loss in 1954.

Casualty premiums, other than auto PHD, increased about 30% for a total of \$8,430,000, but the experience was poor, especially on the Pacific coast. The earned loss ratio was 71.

Fire and allied lines showed a small decrease on a written basis. Earned premiums were \$34,212,317, substantially the same as written. The earned loss ratio was 46.9, compared with 44.2.

Extended coverage went up nearly 12% in earned premiums and the loss ratio was 55.6 compared with 116.5. Inland marine premiums held their own with a loss ratio of 49, the same as 1954.

Ocean marine premiums increased

about \$50,000 to \$2,367,000 with a 50.5 loss ratio, the same as the previous year.

The development in writing multiple peril contracts was more widely accepted, Mr. North said, and they accounted for \$2,250,000 in written premiums. The loss ratio was about 50. Other classes of business, he said, showed a little increase and loss ratios were generally at the break-even point.

Business received from underwriting pools and associations was satisfactory, as was assumed reinsurances, all of which showed a profit.

Net investment income increased \$445,884 to total \$5,535,820 and security values rose in market value about \$11,590,000. The combined gain from investment and underwriting operations after federal taxes was \$4,408,177, compared with \$2,193,812.

Assets increased \$13,342,152 to reach \$211,295,801. Policyholders' surplus increased \$5,104,525 to \$59,892,652.

Insurers Assist with Atomic Standards

A planning committee to develop national standards for the commercial and industrial use of fissionable material met in New York City. Insurance representatives attending were Reuel C. Stratton and Harry W. Rapp, both of Travelers, representing Assn. of Casualty & Surety Companies, and Charles R. Williams, Liberty Mutual, of National Assn. of Mutual Casualty Companies. Major areas to be studied are: general or administrative standards such as those for terminology, symbols and color codes; radiation protection of people and property; standards for nuclear safety, such as site location, laboratory experimentation and transportation or storage; standards for equipment and processes, and materials.

Form New Minn. Insurer

Arrow Insurance Co. has been incorporated at St. Paul, Minn., with a capital of \$100,000. The company will write all lines.

Incorporators are E. P. Freeman of St. Paul, G. F. Feller of West St. Paul and H. H. Sievers of Minneapolis.

General Adjustment Bureau has appointed Carlyle Holleman, former adjuster-in-charge at Athens, Ga., manager there. The office, formerly under jurisdiction of Atlanta, will henceforth operate independently.

Insurance Women of San Antonio held an open forum discussion on insurance problems at their February meeting. Miss Lonie Wosnig of Floyd West & Co. moderated a panel which included: Owen Caldebaugh, president of San Antonio Insurance Exchange; Don Rudloff of Fireman's Fund; Delos Finch Jr. of Caldwell Claims Service, and Charles Griffith of Royal-Liverpool. The group will hold its annual business night on March 10 at the Plaza hotel.

you're a **NEIGHBOR**
not a number to your
BIG* INSURANCE AGENT



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BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY

87 KILBY STREET BOSTON, MASSACHUSETTS

Standard
protection
COMPANY INSURANCE

This advertisement appears in current local and civic publications.

Fire and Allied Lines
MILLERS NATIONAL
Insurance Company
Since 1865

HOME OFFICE
CHICAGO 6

Eastern Department...
PHILADELPHIA

Pacific Coast Department...
SAN FRANCISCO

Since 1870
ILLINOIS FIRE
Insurance Company
Fire and Allied Lines

Agricultural Sets Premium Record; Names New Officers

Agricultural group wrote a record premium total of \$19,967,215 in 1955, a gain of more than \$1,660,000, according to the annual report of Robert G. Horr, president. Net profit from all operations was \$1,967,488, an increase of \$799,230.

In addition to renaming present officers, the board of directors elected as secretaries of the group Ervin J. Dickey, Claude L. Dobbs, W. Leonard Mahana and Paul B. Olinger. Elected to the board were W. R. Adams, J. F. Amos, Mr. Dickey, R. S. George, Mr. Horr, P. P. Miller, L. K. Sillcox, B. H. Snell, R. F. Taylor, H. W. Tomlinson, K. S. Van Strum, S. Kenneth Wagner and Russell Wright.

Losses and loss expenses totaled \$10,919,614 a decrease of 3.4%, Mr. Horr continued. However, underwriting expenses increased to \$8,814,636, due, in part, to expansion of facilities. Policyholders surplus totaled \$20,033,069 as compared with \$18,134,000. Profit on the sale of securities for the year was \$1,594,076.

Mr. Dickey joined the company in 1952 in Atlanta. He was named assistant to the president in 1954 and will continue as such in his present capacity.

Mr. Dobbs joined Agricultural in 1926. He was named Minnesota state agent in 1940. He returned to the home office in Watertown, N. Y., as chief examiner and was named agency supervisor in 1954.

Mr. Mahana started with the company in the home office mail room in 1926. He advanced to the loss department and then to the middle underwriting department and became assistant personnel director in 1954. He was made personnel director last year.

Mr. Olinger joined the group as state agent in Minnesota and Wisconsin in 1947. He transferred to Chicago in 1950 as northern Illinois state agent and was appointed Chicago office manager in 1952. Since 1954 he has been resident secretary in Chicago.

American Federation Lays Plans for Doing Business

American Federation of Seattle, organized and owned by labor unions in Washington, will begin writing business as soon as the sale of 50,000 shares of common stock is completed. The company received a permit from the department Jan. 3 for the sale of 50,000 shares at \$20, and ultimately 200,000 shares of common are to be issued to provide a capitalization of \$4 million.

President Wayne Murray Jr. said the sale of stock, which is limited to members of Washington Federation of Labor, has proceeded slowly but "as planned."

American Federation plans to issue a participating fire policy and write casualty lines, except auto, at standard rates with full commissions on the agency system principle. Auto business will be written either direct or in the Safeco method.

Award R. I. Receiver \$20,000 Partial Fee

PROVIDENCE—Rhode Island superior court has awarded a \$20,000 partial fee to Thomas J. Meehan, state business regulation director, for his services since July 7, 1950, as receiver of the insolvent Rhode Island Ins. Co. He had asked \$27,000, but Judge Curran awarded him the lesser

amount "on account" and said the question of total compensation for him will be reviewed before the receivership is terminated.

At the court hearing, Lee A. Worrell of the law firm of Worrell & Hodge asked to have it noted that he was present as counsel for American Equitable of the Corroon & Reynolds group, probably the largest single creditor in the receivership.

Main & Baker, Minneapolis adjusters, have moved to 2217 Nicollet avenue.

1955 Good Year for National Re, Reinsurance Corp.

National Re showed a \$1,750,000 gain in policyholders surplus in 1955 to bring the total to \$11,772,000. According to the annual report of Robert G. Clark, president. Underwriting was profitable. The company is now reinsuring all lines of fire and casualty.

Policyholders surplus of Reinsurance Corp. of New York reached \$16,586,000, a growth of almost \$10

million in the past decade. Mr. Clark said that although floods and catastrophes caused a loss in automobile and inland marine lines, over-all underwriting results were profitable. Net liquidating value per share of stock, after provisions for taxes, rose to \$22.15.

Named at Memphis

American Surety has appointed Thomas B. Brumley manager of the Memphis claims office. He joined the company in 1953 as a claims representative there.

For the only home he ever owned

... Lincoln chose this Hartford policy

It is the first week of February, 1861. Abraham Lincoln is winding up his affairs in Springfield, Illinois. Next Monday morning he begins the trip to Washington, where he is to be inaugurated as sixteenth President of the United States.

Mr. Lincoln has just said goodbye to a visitor. The man was James L. Hill, local agent of the Hartford Fire Insurance Company, who has left with Mr. Lincoln the insurance policy which protects the only home he has ever owned.

At Mr. Lincoln's request, Jim Hill had made a thorough inspection of the property only a few days before. He noted the

struction of the buildings . . . measured their dimensions and the distances between them. Then he drew up a policy for the President-elect — and delivered it.

We are proud that Abraham Lincoln chose to insure his home with the Hartford. And we treasure the original policy to this day. Mr. Lincoln's son, Robert Todd Lincoln, presented it to Hartford Agent Jim Hill as a memento several years after the President's death.

Copies of this historic document are available upon request. Write the Hartford Fire Insurance Company, Hartford 15,

This interesting story is appearing in the Saturday Evening Post, Life, Time, National Geographic, and other popular magazines during the month of February.

It is a reminder that as far back as 1861, Hartford Fire Insurance Company agents found ready acceptance of Hartford policies . . . then, as now, backed by one of the oldest, largest and most dependable insurance companies in the nation.



Year in and year out you'll do well with the

Hartford

Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
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Citizens Insurance Company of New Jersey . . .
New York Underwriters Insurance Company . . .
Northwestern Fire & Marine Insurance Company
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Hartford 15, Connecticut
New York 38, New York
Minneapolis 2, Minnesota

YOU are the right man!

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT

there's one right way
to buy auto insurance



There's a right and a wrong way
to buy automobile insurance—or any
other kind of property insurance
It's better, safer, and cheaper to
know in advance... before you have
had an accident... that you have
good insurance, solid protection

One sure way to get the most for
your money, is to see your Home
Insurance agent or broker. He is
your expert.

The Home Insurance Company
provides quality automobile
insurance—sold only through
qualified independent agents
and brokers. There's one near
you. See him today.

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Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE
The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds
A stock company represented by over 40,000 independent local agents and brokers

This latest Home Insurance
Company advertisement does more
than stress the importance to car
owners of the right insurance...

It emphasizes equally that to get
the best protection, they must
see the right man.

This ad tells them that the right
man is YOU. It tells them why. It
can direct good automobile
business to your agency—if you
cooperate.

Another expert—ready to assist
your agency in any way he can—
is your Home fieldman. Just
call on him.

Convention Dates

- March 5-7, National Assn. of Surety Bond Producers, annual, Roosevelt hotel, New Orleans.
- March 6, Pittsburgh Insurance Day, William Penn hotel.
- March 7-8, Fire Underwriters Assn. of the Pacific, annual, Sheraton-Palace hotel, San Francisco.
- March 9-10, Tri State Assn. of Mutual Insurance Agents, annual, Ben Franklin hotel, Philadelphia.
- March 12-13, New Jersey Assn. of Insurance Agents, midyear, Berkeley-Carteret hotel, Asbury Park.
- March 22-24, Texas Assn. of Mutual Insurance Agents, spring meeting, Austin.
- March 23-24, Assn. of Insurance Attorneys, annual, Atlanta, Ga.
- March 26-27, Far West Agents conference, annual, Sheraton-Palace hotel, San Francisco.
- April 3-4, Virginia-D.C. Assn. of Mutual Insurance Agents, annual, Homestead, Hot Springs, W. Va.
- April 4, Chicago Insurance Day, Palmer House.
- April 5-6, Directors of National Assn. of Casualty & Surety Agents, Ambassador hotel, Chicago.
- April 5-7, Southern Agents Conference, Francis Marion hotel, Charleston, S. C.
- April 8-10, National Assn. of Insurance Agents, midwest territorial conference, St. Paul.
- April 8-10, Mutual Agents Assn. of New York, annual, Hotel Syracuse, Syracuse.
- April 9, Milwaukee Insurance Day, Hotel Astor.
- April 12-13, Health Insurance Assn. of America, organizational and first annual meeting, Netherland Plaza hotel, Cincinnati.
- April 13-14, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
- April 13-14, Rocky Mountain Territorial Conference, Broadmoor hotel, Colorado Springs.
- April 15-17, Mississippi Assn. of Mutual Insurance Agents, annual, Vicksburg hotel, Vicksburg.
- April 16, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Biltmore hotel, Providence.
- April 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Hotel Savery, Des Moines.
- April 22-25, Eastern Agents Conference, annual, Hotel Statler, Hartford.
- April 23-25, State National Directors of NAIA, midyear, Hotel Statler, Hartford.
- April 30-May 2, Chamber of Commerce of the U.S., annual, Washington, D. C.
- April 30-May 2, Iowa Assn. of Insurance Agents, annual, Hotel Savery, Des Moines.
- May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
- May 3-5, National Assn. of Independent Insurance Adjusters, annual, San Souci hotel, Miami Beach.
- May 6-8, Florida Assn. of Mutual Insurance Agents, annual, The Colonnades, Riviera Beach.
- May 6-8, Alabama Assn. of Insurance Agents, annual, Whitley hotel, Montgomery.
- May 7-8, Minnesota Assn. of Mutual Agents, midyear, Leamington hotel, Minneapolis.
- May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.
- May 7-9, Board of Fire Underwriters of the Pacific, Santa Barbara Biltmore hotel, Santa Barbara.
- May 9-11, American Management Assn., insurance conference, Roosevelt hotel, New York.
- May 10, Surety Assn. of America, annual, New York.
- May 10-12, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.
- May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.
- May 14, National Bureau of Casualty Underwriters, annual, New York.
- May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.
- May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
- May 16-18, National Assn. of Insurance Brokers, Boston.
- May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
- May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.
- May 20-22, Insurance Accounting & Statistical Assn., Hotel New Yorker, New York.
- May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.
- May 20-23, Inland Marine Insurance Bureau, annual, Shawnee Inn, Shawnee, Pa.
- May 21-22, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.
- May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.
- May 23, Midwestern Independent Statistical Service, annual, Bismarck hotel, Chicago.
- May 23, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York.
- May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.
- May 23-25, Insurance Company Education Directors Society, annual, Skytop, Pa.

I've recommended you
to a friend because
I like your
BDA service



Clients do appreciate service —
and this is particularly true in
boiler and machinery insurance,
where highly specialized services
are required — in underwriting, in-
spection, and settlement of claims.

When you place with Hartford
Steam Boiler you provide these
services by professional specialists:

B Before the policy is issued, in
underwriting service with the co-
operation of the H.S.B. Special
Agent; **D** During the life of the
policy, in accident-prevention ser-
vice with the nation-wide network
of 600 H.S.B. Field Inspectors;
and **A** After an accident (if one
should occur), with on-the-spot
service by H.S.B. Field Inspectors
and Adjustors — to help speed
rehabilitation and prompt settle-
ment of claims.

Let the Specialists work for you.



INSPECTION
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The
HARTFORD STEAM BOILER
INSPECTION
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Hartford 2, Connecticut

THE OLDEST INSURANCE
COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Investment Consultant Eyes Current Values and Prospects of Insurer Stocks

Over-all, the fire and casualty business should show about a 5% increase in premium writings for 1955, up from a 2% increase in 1954, according to J. W. Middendorf II of Wood, Struthers & Co., member of the New York Stock Exchange. Mr. Middendorf's comments on the present situation in the business and his suggestions on what is immediately ahead are included in an analysis of several fields and their prospects for earnings. The study has been issued by the research department of Wood, Struthers & Co.

This increase in premiums reflects increased coverage for a booming economy despite rate decreases in many lines, particularly in the casualty field, Mr. Middendorf writes. Premium volume for the entire business approached \$10.5 billion during 1955, of which stock companies contributed an estimated \$7.5 billion.

Because of rate reductions, a somewhat higher loss experience and higher operating expenses, the underwriting experience of the business in the first three quarters of 1955 compared unfavorably with the corresponding period of 1954. On the other hand, the final quarter of 1955, with its absence of substantial hurricane losses, showed a marked improvement and the combined loss and expense ratio of the business should approach the 93.6% figure for 1954, Mr. Middendorf believes.

Casualty business, particularly automobile lines, fared generally worse in 1955 than in 1954 because rates were reduced and competition increased sharply from several sources, reversing a three year trend of excellent earnings. Automobile bodily injury and property damage losses climbed in the fourth quarter. Fire business on the other hand improved during the year due to better extended coverage experience. Meanwhile, substantial appreciation in the portfolios of most companies expanded surplus to all-time highs. Net investment income also increased and many companies should be in line for dividend increases.

The outlook for 1956 is for a continued increase in premium volume to match the increased insurance needs of the economy, with a continuation also of rate reductions in many lines, especially in dwelling and automobile physical damage lines. Automobile premiums now amount to 40% of all premiums written. Expenses are expected to continue their slightly upward trend, although many companies are now investigating electronic office devices. The major items of expense, however, are still commissions and salaries.

On the surface it would appear that all was reasonably quiet and universally prosperous in this one of the oldest and most stable of all businesses, according to Mr. Middendorf. Actually, however, the situation is not at all as

it appears, and results for the individual companies vary sharply. The year 1955 probably will be known as one of intense struggle and change. Never in the past several decades has the very structure of the agency system, still the life blood of most insurance writers today, been under greater attack.

As 1955 began, the fire and casualty business was emerging from the disastrous hurricane season of the previous fall, but, with the exception of EC, every other line of insurance had been profitable in 1954. In fact, the combined over-all profit margin for that year was 6.4%, making for a generally satisfactory year. Late in 1954 and in early 1955, EC rates had been raised substantially, in some cases 50 to 100% and the odds favored a very successful 1955 in that line. Fire rates, reflecting the very satisfactory post war experience in those lines, were being reduced somewhat, but were generally considered quite satisfactory. Casualty business, while some rates were expected to be cut, was generally expected to continue in 1955 the improving trend of the past several years. On this complacent scene, there were few signs that 1955 would be a year of considerable change for the business.

With premium volume leveling off partially through rate reductions, with surpluses rising substantially to provide the sinews for assuming more premium volume, with more and more companies venturing into multiple line underwriting, into casualty from fire, and vice versa, and with a whole series of new types of marketing methods being introduced by the direct writers, competition is rapidly becoming more intense, Mr. Middendorf notes.

The new mass market for automobile insurance which no longer has to be sold but which has become almost a necessity and in some cases compulsory, has become a ready-made market for the direct writers, he states. They have been extremely successful in capturing a growing percentage of the automobile business on the basis of price savings. Direct writers have grown financially and are reaching for additional lines of business.

Only slowly is the agency system rising to meet this frontal attack, he continues. Change to the average segment of this business which has been so successful with its present methods for over a 100 years is a sometimes difficult fact to face up to. Many companies are avoiding the problem by doing nothing. Others, however, are meeting the attack head on. They realize that steps must be taken to modernize their method of selling to maintain their share of new and old business and at the same time not disrupt the huge backlog of good business from commercial and individual accounts which has been built up over the years

and most of which the agency system still controls.

Over-all, the industry is realizing that actually a revolution is taking place and that the public will be better served in the end. The aggressive company in this period will improve its position while many will lose out, he observes.

Multiple line underwriting is no longer a matter that is merely discussed in directors' meetings. Most companies realize that to compete effectively today they must be able to write business in both casualty and fire lines to supply the growing public desire to be able to purchase all forms of coverage under one roof. Many old line fire companies have hired casualty men, others have merged with or acquired casualty companies. Several casualty companies entered the fire business by these methods. It is probable that in a very short period of years most individual policies will be of the special homeowners variety where house, car, and all other property will be insured by one policy in one company.

As rates are being reduced, as competition is increasing, and changes are being forced in many old established practices, there is nevertheless another side of the picture which is more op-

(CONTINUED ON PAGE 35)

Debate Placement of Municipal Coverage

Many Minnesota cities and school boards have recently been asked to place municipal coverage outside the city, when it would save a little money, rather than with a local agent.

The issue was debated last week before the city council at Hudson, Wis., a St. Paul suburb, where a proposal to transfer the city's fire coverage from a group of local agents to Employers Mutual of Wausau has stirred up controversy. The city's coverage amounts to \$597,000 and over a five year period costs \$6,476.

Several local agents appeared before the council, and in support of their contention that the business should go to stock companies represented by them, pointed out that the local agents in 1955 paid taxes totaling \$5,855 and spent more than \$40,000 among merchants of the city.

The agents also stressed the fact that the companies they represent pay \$1,000 every year toward the support of the Hudson fire department. They said the sum is five times as much as the 15% dividend the mutual would pay to the city.

Another argument presented in favor of the local agents was that service should take preference over policy cost.



"HMMM,—I WONDER IF THIS WOULD MEET THE FTC STANDARDS."

\$1½ Million Loss in Cairo Crash

The DC-6B owned by Transports Aériens Intercontinentaux, French airline, which crashed near Cairo was valued at about \$1.5 million. It was insured abroad. The plane, with 64 persons aboard, was bound from Saigon, Vietnam, and Karachi, Pakistan to Paris. Twelve persons survived.

R. I. Okays Homeowners C

Rhode Island has approved the homeowners C, effective Feb. 20.

New MOA Department Opened at Houston

Marine Office of America has established a southwestern department in the Sterling building, Houston. E. Hardin Ellis will be in charge of the division, which will serve agents and brokers in New Mexico, Oklahoma and Texas.

The Dallas office under Tom Ebner will report through Houston.

Allstate has opened a new, drive-in type office at Lansing, Mich., which

will offer inspection service if cars involved in accidents can be moved to the office. Jack Magnum is sales manager and John Neville heads the claim department.

Puts City Cover on Bid Basis

BENTON HARBOR, MICH.—All municipal insurance is to be put up for competitive bidding, according to a decision of the city commission.

First bids are being sought March 4 on liability coverage for the municipal water plant. The present policy, placed through Mill Mutuals agency, Lansing, expires in April.

N. H. Group Shows 6.4% Premium Gain, Underwriting Loss

Despite a 6.4% gain in premiums written that set a new record of \$31,020,556 in 1955, New Hampshire group experienced an underwriting loss of \$700,658, according to the annual report of Lester S. Harvey, president. He commented that 1954 hurricane losses, not reported until last year, as well as 1955 catastrophe losses were primarily responsible for the underwriting loss.



Lester S. Harvey

Surplus to policyholders increased \$2,438,297 to \$23,747,506. Investment income rose \$120,393 to \$1,415,548. Assets climbed to an all time high, from \$63,454,000 to \$67,658,389.

Five secretaries, three assistant secretaries and three directors were named. New secretaries are Frank M. Fisher and Carl P. Barton, former assistant secretaries; H. C. Ferry, former general agent, and Guy O. Thomas and C. P. Thornton, former secretaries of American Fidelity. New assistant secretaries are Howard H. Jelinek, former state agent of Nebraska and South Dakota, and Paul Yngve and Morris C. Clark, agency superintendents in the home office. New directors are Judge Emile Lemelin of Hillsboro county, N. H., probate court, Robert P. Burroughs, president of R. P. Burroughs Co., and Hamilton M. Redman, vice-president and treasurer of Berkshire Life.

S. C. Compulsory Bill Labeled Unworkable

N. A. Turner, attorney for Assn. of Casualty & Surety Companies, labeled unworkable the proposed compulsory automobile insurance bill at a South Carolina legislative hearing. He said that at present only one state has such a bill and that it has not achieved the results hoped for. C. J. F. Harrington, former insurance commissioner of Massachusetts, declared the compulsory law in his state had been a constant administrative problem. State chamber of commerce representatives predicted the bill would lead to destruction of free enterprise and would put the state into the insurance business.

Cleveland Mariners See Film

Cleveland Mariners Club at the February meeting saw a film, "Land of Promise," produced by Cleveland Illuminating Co. It describes the possibilities of marine insurance in connection with the St. Lawrence seaway.

New Nebraska Hand-Book Out

A new Underwriters' Hand-Book of Nebraska has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Nebraska Hand-Book may be obtained from the National Underwriter Co., 420 East Fourth street, Cincinnati. The price is \$12 each.

OUR 50th YEAR

Republic Insurance Company

ANNUAL REPORT

DECEMBER 31, 1955

REPUBLIC WRITES DIRECT AGENCY BUSINESS IN THE FOLLOWING STATES:

ARKANSAS	MISSOURI
ARIZONA	NEW JERSEY
CALIFORNIA	NEW MEXICO
COLORADO	NEW YORK
CONNECTICUT	OHIO
DELAWARE	OKLAHOMA
ILLINOIS	OREGON
INDIANA	PENNSYLVANIA
IOWA	TENNESSEE
KANSAS	TEXAS
KENTUCKY	UTAH
LOUISIANA	VIRGINIA
MARYLAND	WASHINGTON
MICHIGAN	WISCONSIN
MINNESOTA	WASHINGTON, D.C.

REPUBLIC AND VANGUARD WRITE THE FOLLOWING COVERAGE:

FIRE	RIOT
EXTENDED COVERAGE	CIVIL COMMOTION
ADDITIONAL E. C.	RENTS
WINDSTORM	EXPLOSION
TORNADO	HOMEOWNERS
HAIL	AUTOMOBILE
INLAND MARINE	GENERAL LIABILITY
PHYSICAL LOSS	BURGLARY
BROAD FORM	EARTHQUAKE
COMPREHENSIVE PERSONAL LIABILITY	

REPUBLIC INSURANCE COMPANY

Assets

Cash in Banks and Offices	\$ 2,258,999.46
*U. S. Government Bonds	7,962,027.85
*State Bonds	217,531.26
*Municipal Bonds	4,610,864.30
*Public Utility Bonds	3,548.53
*Industrial Bonds	6,665.13
Mortgage Loans	163,101.07
Collateral Loans	807,358.30
Savings and Loan Investments	1,800,060.08
Public Utility Preferred Stocks	835,325.00
Industrial Preferred Stocks	637,800.00
Bank Stocks	4,698,913.00
Insurance Stocks	1,588,429.00
Vanguard Insurance Co. (a wholly owned subsidiary)	2,175,611.73
Railroad Common Stocks	53,000.00
Public Utility Common Stocks	551,643.00
Industrial Common Stocks	3,741,650.78
Agents' Balances (Not over 90 days)	1,444,319.41
Premium Notes	1,652,262.12
Home Office Building	130,439.59
New Home Office Building (Under Construction)	941,892.57
Eastern Department Building	95,424.12
Pacific Coast Department Building	89,756.35
Due from Reinsurers	422,359.91
Other Assets	101,270.08
	\$36,990,252.64

Liabilities

Unearned Premium Reserve	\$18,921,982.67
Reserve for Losses	624,885.92
Reserve for Taxes	1,170,000.00
Other Liabilities	407,796.46
Contingency Reserve	\$6,968,715.27
Capital:	
Preferred	\$1,600,000.00
Common	2,600,000.00
	4,200,000.00
Earned Surplus	4,696,872.32
Policyholders' Surplus	15,865,587.59
	\$36,990,252.64

*Amortized. †Value as established by Insurance Commissioners Committee on Valuation of Securities. ‡Represents excess of market value of stocks over cost. U. S. Government Bonds of the par value of \$1,620,000.00 are on deposit with the Insurance Department of various states in accordance with legal requirements.

VANGUARD INSURANCE COMPANY

A WHOLLY OWNED SUBSIDIARY

Assets

Cash in Banks	\$ 426,157.89
*U. S. Government Bonds	2,544,717.37
*Municipal Bonds	110,961.14
Public Utility Preferred Stocks	97,000.00
Industrial Preferred Stocks	222,000.00
Common Stocks	133,480.00
Agents' Balances (Not over 90 days)	105,711.89
Premium Notes	16,314.41
Due from Reinsurers	3,420.08
Other Assets	54,731.07
	\$3,714,493.85

Liabilities

Unearned Premium Reserve	\$ 957,574.33
Reserve for Losses	418,141.00
Reserve for Taxes	60,462.82
Other Liabilities	5,500.00
Schedule "P" Statutory Reserve	97,203.97
Contingency Reserve	\$ 70,640.90
Capital	1,000,000.00
Surplus	1,104,970.83
Policyholders' Surplus	2,175,611.73
	\$3,714,493.85

*Amortized. †Value as established by Insurance Commissioners Committee on Valuation of Securities. ‡Represents excess of market value of stocks over cost. U. S. Government Bonds of the par value of \$590,000.00 are on deposit with the Insurance Department of various states in accordance with legal requirements.

Over Half a Century of Progress

REPUBLIC INSURANCE COMPANY

Home Office 3415 Cedar Springs — Dallas 19, Texas

Departments

Los Angeles, California 675 South Park View — Los Angeles 57, Cal.
New York, New York 110 Fulton Street — New York 38, N.Y.
Chicago, Illinois 309 West Jackson Boulevard — Chicago 6, Ill.

EC Proposal in N. C. Makes Full Cover Optional but Costly

North Carolina Fire Insurance Rating Bureau has filed a new proposal for increases in extended and fire insurance rates in that state. A previous filing, made Jan. 20, was rejected by Commissioner Gold. Chief change from the former proposal is to make the \$50 deductible for EC optional instead of mandatory.

Under the proposal, full EC coverage would be made available at \$5 for the first \$50 of coverage on inland property and a \$10 for the first \$50 on coastal property.

The new filing does not change the previously proposed increase of 8 to 12 cents per \$100 of \$50 deductible EC on dwellings in the inland territory and from 14 to 28 cents for dwellings on the coast. The bureau also proposes the same increase for farm dwellings as for other dwellings in the two territories and it proposes an increase for farm barns in the inland territory from 23 to 40 cents and a coast rate increase from 27 to 50 cents. No EC increase for other property classes was asked.

The bureau left unchanged its proposal for radio and TV antenna which would exclude the coverage from EC and allow it to be written at separate rates of \$5 for inland territory and \$10 along the coast.

"The critical question is how far the companies can be expected to go in writing windstorm and EC during the year with inadequate rates in order that the shock of achieving adequate rates may be softened and spread," a spokesman for the bureau said. "In this situation the prolonging of any rate controversy by procedural struggles might work great harm to the insuring public."

In its fire rate filing, coincident with the EC filing, the bureau seeks increases for classes other than farm property as follows: Mercantile buildings, \$220,041; mercantile contents \$281,094; warehouses, \$17,564; wood products, \$33,508; veneer and laminated wood mills, \$11,236; and printing and allied industries, \$5,981. No objections were given these proposals at the first hearing.

A hearing on the bureau refiling will be held by Mr. Gold at a later date.

Urges Insurers to Aid Theft Prevention

Insurance companies should force stiffer penalties on businesses to encourage proper precautionary measures against theft and burglary, William J. Fyffe, a member of the security division of Babaco Alarm Systems, states in the current company publication, *Babaco News*.

A trucker or shipper could do much more to check cargo thefts and hijackings, Mr. Fyffe said. Theft prevention devices such as burglar alarms should become standard equipment and underwriters should insist that all risks be adequately protected, he added.

Plan Medical-Legal Meeting at Memphis

A medical-legal conference will be held at Memphis March 1-2 under the auspices of Memphis & Shelby Bar Assn. and Memphis & Shelby County Medical Society. Melvin M. Belli, San Francisco attorney specializing in personal injury trials, H. Alva Brumfield of Baton Rouge, Truman B.

Rucker of Tulsa and Emile Z. Berman of New York City will appear in a series of panel discussions on settling cases, opening trials, summation, medical witnesses and arguments to the jury.

Also on the agenda are discussions of aggravation of pre-existing conditions, head injuries, psychosomatic and psychiatric aspects of personal injuries, injuries of the spine, rehabilitation medicine, pitfalls for the medical witness and medicine and law.

Mich. House Passes Recodification Bill

LANSING, MICH.—The Michigan house has unanimously passed a bill which recodifies the state insurance laws.

No opposition to the 510-page measure is expected. It is department-sponsored and was drafted under supervision of an all-industry committee.

Credit Cover Hearing in Texas

The Texas department will hold a hearing April 3, "for the purpose of promulgating reasonable rules and regulations pertaining to the issuance of credit insurance policies and premium rates on such policies."

Auto Assigned Risk Must Pay Defunct Mutual Assessment

A motorist insured through an assigned risk plan in a mutual is as liable to assessment as any other policyholder of the mutual, Norman P. Ramsey, Maryland deputy attorney general, has ruled.

In an opinion to John H. Coppage, deputy insurance commissioner, Mr. Ramsey said the Maryland assigned risk plan is a voluntary arrangement to provide insurance to persons ineligible for ordinary coverage. An applicant for such service under the plan is seeking the offices of the plan to put him in contact with a company willing to insure him. He is nonetheless a contract holder with the particular company to which the risk is assigned, subject to all of the incidence of policyholding in the company.

If a company is a mutual, he said, the assigned risk insured is no more protected from responsibility under the provisions of his contract than any other policyholder in a mutual company. Although the policyholder con-

tends that he was involuntarily insured in the mutual and should not be liable for assessment, Mr. Ramsey asserted that he is in every respect an ordinary policyholder of the insurer and should be treated as such.

"His is not an involuntary status, in our opinion," said Mr. Ramsey. "He sought the name of a company which would issue the insurance and was directed to a particular company. The contract which he executed with that company is a valid and binding contract, and the negotiations or steps leading to the execution of the contract in no way affect the basic validity of the contract."

Hike Ky. License Fees

LOUISVILLE—The annual license fee for insurance solicitors has been increased by the Kentucky legislature from \$3 to \$15, and the fee for licensed adjusters from \$10 to \$25.

Macomb County Assn. Elects

Fred M. Blanchard was elected president of the Macomb County (Mich.) Assn. of Insurance Agents and Fred Cromie was named secretary at a meeting in Mt. Clemens.



AGENTS AND BROKERS NATIONWIDE KNOW THAT

Regardless Of Size...

WE TAILOR-MAKE AN INSURANCE PROGRAM FOR EACH CLIENT

Our list of clients represents some of the largest and the smallest business firms in the nation. Size, as far as we are concerned, takes no preference when it comes to planning a well-balanced insurance program. Our staff of experts carefully set up a program specifically designed to meet the insured's requirements. Our claim department offers courteous and prompt service.

Applications and rates on request for:

- All Trucking Risks
- Taxicabs
- U-Drives
- Compensation
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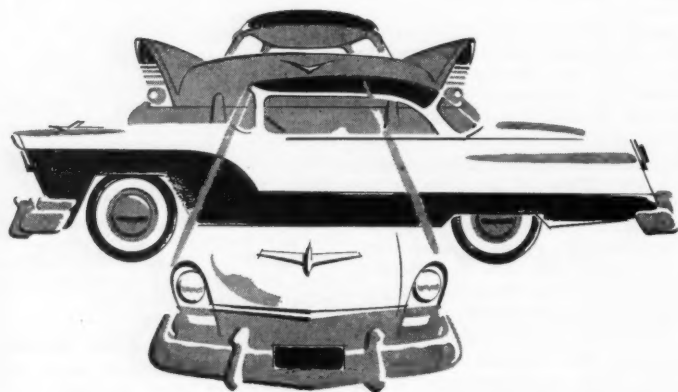
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WEbster 3-9275

MIAMI, FLA.
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Exclusive Underwriting
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Here's the sound approach
to a value-minded buyer



COVERAGE—Agency and Claims Service—Cost. These are points about auto insurance that buyers are checking more closely than ever before.

And who are these buyers but informed, money-wise car owners who recognize that many agents and companies compete for their business on the basis of better values—in protection, service and savings.

You can be certain that they are posted on the competitive situa-

tion in the auto insurance field. So, it's your move; particularly if the spread is widening between the number of them you've sold—and those you should have sold.

Why not find out how our auto insurance facilities can be used to meet some of the competition you face for preferred classes. We write a full-standard coverage policy backed by a grade of service that you'd expect from a topflight agency mutual company operating nationwide.

Grain Dealers Mutual

INSURANCE COMPANY

INDIANAPOLIS 7, INDIANA

Western Department: Omaha 2, Nebraska

FIRE • CASUALTY • AUTOMOBILE • INLAND MARINE

Larson to Join Travelers April 15

Jack E. Larson, secretary of Multiple Peril Insurance Rating Organization since 1952, will join Travelers April 15 at the home office to assist in multiple peril business.

He started in insurance as special agent of Atlantic Mutual group in New York in 1946 and became an inland marine underwriter of commercial lines at the home office. He joined the rating organization in 1952.

Employers Mutuals Have Increases in 1955

Employers Mutual Liability of Wausau in 1955 had premium income of \$89,131,940, and Employers Mutual Fire had premiums of \$45,059,815. Consolidated assets as of Dec. 31 were \$181,101,039 and surplus to policyholders \$44,236,935, both increases. The liability company had an overall premium increase of \$1,119,961, only workmen's compensation showing a decline. Underwriting profit was \$13,236,489, from which \$11,355,215 was paid or declared dividends to policyholders.

Employers Mutuals are establishing graduate scholarships with \$1,500 each annually for the business school at the University of Pennsylvania, University of Wisconsin and UCLA. Eligibility requirements, the manner of selecting students and other administrative matters will be under the jurisdiction of the individual schools, but the students selected will take advanced studies in casualty insurance.

Carlson United Pacific Director

H. R. Carlson, treasurer of United Pacific, has been elected director. Mr. Carlson has been with United Pacific since 1940. He served as office manager at Seattle and at San Francisco until 1952, when he was transferred to the home office in Tacoma as assistant treasurer. The following year he was elected treasurer. Prior to joining United Pacific, Mr. Carlson had been with Equitable Society for six years.

Would Have Courts Settle

A workmen's compensation bill has been introduced in New York state legislature which would permit a court to authorize settlement of a third party action as a substitute for a consent by the employer or the insurer. Self-Insurers Assn. of New York is opposing the measure.

IAC Features Texas Agency Advertising

The successful Texas public relations campaign on the value of local agencies to the insuring public is the subject of the second issue of the *Agency Service Newsletter*, published today by Insurance Advertising Conference.

The Texas campaign included six different newspaper advertisements and three of these are reproduced in the news letter. There are two folders for use by agents or local boards, and the copy in one of these is given in the news letter. Of the 50 radio commercials, seven are presented in the news letter.

Texas Insurance Advisory Assn. conducted the campaign with the support and cooperation of Texas Assn. of Insurance Agents. Neither advertises over its own name but made the material available to local boards and agents for use as it is or modified to suit local conditions.

Presently the two associations are offering a new 1956 campaign. The material described and reproduced by IAC is from the widely-used 1955 campaign, which is, IAC comments just as good in 1956 where it hasn't already been used.

Standard Accident Names Four

Standard Accident and Planet have made several field appointments: Harvey W. Spangenberg has joined the companies at Philadelphia as a field representative. Wilbur J. Smith has been named field representative at San Francisco. Roy E. Stickney has been made field representative at Kansas City, and Charles R. Snell a casualty and fire underwriter at Baltimore.

M.F.A. Mutual to Build

M.F.A. Mutual of Columbia has awarded contracts to M. W. Watson of Topeka, Kan., for the construction of a \$1,750,000 home office building.

The two-story brick building has been designed by Childs & Smith of Chicago and will be completely air-conditioned.

Reciprocals Return to N. Y. C.

Associated Reciprocal Exchanges has sold its building in Port Chester, N.Y., and has moved its general offices to 2 Park avenue, New York City.

**NATIONWIDE UNDERWRITING AND
CLAIM SERVICE
THROUGH DOMESTIC STOCK COMPANIES**

KURT HITKE & CO., INC.

ATLANTA — BALTIMORE — CHICAGO — DALLAS — DENVER — LOS ANGELES — MIAMI — SAN FRANCISCO — SPRINGFIELD

To Hold Forum on Atom Cover Problem

WASHINGTON—At the annual hearing on atomic developments conducted by the joint congressional atomic energy committee, Sen. Anderson, chairman, said the group will hold a seminar on the insurance problems of peacetime atomic energy development in about three weeks.

William Webster, president of Yankee Atomic Electric Co. of Boston, said his firm will not go ahead with major construction expenditures for its atomic energy power plant at Rowe, Mass., until it is assured of the availability of adequate insurance. His statement expressed doubt that such insurance is now available. Obtaining suitable protection against third party liability in the event of an atomic disaster is the major unsolved problem in construction and operation of atomic power reactors, he said. The ability of the insurance business to cope with atomic problems, and the progress made thus far have been gratifying. The insurance business apparently is able to underwrite all risks to the plant itself and on employees at a reasonable cost. But the extreme catastrophe of a runaway reactor which can cause extensive off site damage and injury presents an insurance problem that has not yet been solved. Adequate protection is not yet available to justify undertaking major construction expenditures, he said.

Willis Gale, chairman of Commonwealth Edison Co., Chicago, told the committee that the 180,000 kilowatt reactor plan for Chicago by his company is conditioned on the satisfactory solution of the insurance problem at a reasonable annual cost before the end of 1957. The \$50 to \$60 billion of insurance which the insurance business is preparing to write would be adequate for ordinary contingencies, but what is of real concern is the extraordinary third party liability from the major nuclear catastrophe.

Walker L. Cislser, president of Power Reactor Development Co. and of Atomic Power Development Associates, also stressed the need for insurance against a catastrophe involving extensive public liability.

All-Industry Luncheon Set for San Francisco, Oct. 4

Northern California CPCU chapter will sponsor an all-industry luncheon, Oct. 4, at the Mark Hopkins hotel, San Francisco.

Robert Kaiser, East Bay manager of Fire Association, has been named general chairman of the luncheon committee.

Robert Entriken, president of the chapter, presided at the February business meeting held at San Francisco. He discussed a proposed regional institute at Stanford and plans for the all-industry luncheon.

Utah AR Board Meets

Members of the governing committee of Utah Automobile Assigned Risk Plan elected at the annual meeting at Salt Lake City are: National Bureau of Casualty Underwriters, R. R. Sonntag, U.S.F.&G.; Mutual Insurance Rating Bureau, B. W. Fizes, Liberty Mutual; all other stock insurers, L. Stern, General Casualty of Seattle; all other non-stock insurers, M. S. Winder, State Farm Mutual, and reciprocals, R. W. Dietz, Farmers Exchange.

In his report as manager, Robert L. Hilton said assignments are leveling off, and as a result the assessment was lowered from \$4,500 plus membership fees, to \$3,500 plus membership fees. Mr. Hilton also reviewed an order of

Commissioner Jones which states that insurers cannot charge rates and surcharges higher than those filed by the National Bureau except in specific cases where approval has been received from the department. It also says a risk must first be rejected by the assigned risk plan before being eligible for placement as surplus line.

Associated Reciprocal Exchanges has elected John C. Morrison, Elmer N. Dickinson Jr., Robert T. Norton, John Wright and Stuart C. Hand assistant vice-presidents.

Tex. Managing General Agents Elect Eagleston

T. E. Eagleston of the Frank Rimmer & Co. general agency of Dallas was elected president of Texas Assn. of Managing General Agents at the annual meeting in Dallas.

Other new officers are Frank Duff of Floyd West & Co., vice-president, and Ed Vanston of Vanston & Co., secretary. Both are of Dallas.

The Texas association will be host to the annual convention of the national association at the Shamrock hotel, Houston, May 20-23. Barney Vanston of Dallas, association president, has been named convention chairman.

Form Minn. Auto Insurer

Form Minn. Auto Insurer

American Allied Mutual Insurance Co. has been organized at Minneapolis to specialize in writing automobile insurance for substandard risks. The officers are J. E. Murphy, president; Arthur C. Carr, vice-president; Charles E. Carlson Jr., secretary; John F. Murphy, assistant secretary, and E. P. Ferber, assistant treasurer.

Entering Our 22nd Year...

... of Solid, Steady Growth

with a continuing high standard of service to our policyholders.

HOUSTON FIRE & CASUALTY INSURANCE CO.

FORT WORTH, TEXAS

Comparative Growth

YEAR	ADMITTED ASSETS	SURPLUS TO POLICYHOLDERS
December 31, 1934	\$ 127,716	\$ 116,232
December 31, 1940	\$ 1,438,368	\$ 784,821
December 31, 1945	\$ 1,846,305	\$ 1,142,290
December 31, 1950	\$ 6,761,312	\$ 2,207,258
December 31, 1955	\$ 16,449,237	\$ 7,558,711

HOUSTON FIRE & CASUALTY INSURANCE CO.

FINANCIAL STATEMENT — DECEMBER 31, 1955

Cash on Hand and in Banks	\$1,199,641.06	Reserve for Unearned Premiums	\$4,764,731.64
U. S. Government Bonds	3,459,814.72	Reserve for Claims in Process	3,665,549.43
State, County and Municipal Bonds	2,488,922.42	Reserve for Taxes	250,924.68
Other Bonds	660,678.06	Reserve for Other Liabilities	209,319.90
Premium Balances due from Agents and Companies	1,369,970.33	Capital Stock	\$1,750,000.00
Premium Notes Receivable	736,930.13	Surplus	3,250,000.00
First Mortgage Loans	472,145.37	Voluntary Reserve for Contingencies	2,558,711.89
Stocks — General Insurance Corporation	2,646,231.12	Surplus to Policyholders	7,558,711.89
Stocks — All other	3,310,601.01		
Other Assets	104,303.32		
TOTAL ASSETS	\$16,449,237.54	TOTAL LIABILITIES	\$16,449,237.54

Bonds Carried at Amortized Values, Stocks at Market Values. Securities Carried at \$592,193.58 in this statement are Deposited as Required by Statute.

GENERAL INSURANCE CORPORATION

FINANCIAL STATEMENT — DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash on Hand and in Banks	\$ 725,836.38	Reserve for Unearned Premiums	\$2,306,051.59
U. S. Government Bonds	1,812,841.05	Reserve for Claims in Process	1,238,870.96
State, County and Municipal Bonds	688,334.31	Reserve for Taxes	83,851.89
Other Bonds	172,890.15	Reserve for Other Liabilities	62,892.27
Premium Balances due from Agents and Companies	404,151.32	Capital Stock	\$1,000,000.00
Premium Notes Receivable	322,501.91	Surplus	1,000,000.00
First Mortgage Loans	120,750.00	Voluntary Reserve for	
Collateral Loans	37,500.00	Contingencies	646,231.12
Stocks	1,912,774.00	Surplus to Policyholders	2,646,231.12
Other Assets	140,318.71		
TOTAL ASSETS	\$6,337,897.83	TOTAL LIABILITIES	\$6,337,897.83

Bonds Carried at Amortized Values, Stocks at Market Values. Securities Carried at \$496,271.34 in this statement are Deposited as Required by Statute.

DIRECTORS

W. P. BOMAR
President, Bewley Mills, Fort Worth, Texas

J. M. FERGUSON, JR.
President of the Companies, Fort Worth, Texas

BEN E. KEITH
Chairman of the Board, Ben E. Keith Company, Fort Worth, Texas

KAY KIMBELL
President, Kimbell Milling Company, Fort Worth, Texas

KARL F. VASEN
Executive Vice President of the Companies, Fort Worth, Texas

J. LEWELL LAFFERTY
Vice-President, Republic National Bank, Dallas, Texas

A. LIEBSCHER
President, Distilling Roller Mills, New Braunfels, Texas

P. A. NORRIS, JR.
President, Lamar Cotton Oil Company, Paris, Texas

FRANK TAYLOR
Ben E. Keith Company, Fort Worth, Texas

EDITORIAL COMMENT

First Accident Figures are Suggestive

The figures on automobile accidents collected by New York bureau of motor vehicles show that in the years 1950-1954 inclusive, a statistical sample of more than 750,000, between 82 and 88% were first accidents. Including second accidents, considerably more than 95% of drivers involved in automobile accidents are involved for the first or second time.

These are suggestive figures. Not more than that is claimed for them because they have not been tested for accuracy, and there is no indication of what percentage of the claim cost of insurers writing automobile business is accounted for by the 82 to 95%, and what percentage by the other 18 to 5%.

But the figures do raise the question of whether individual selection of risks is somewhat over-emphasized; they sharpen the focus on certain types of safety effort such as high school driver education; and they seem to bear out the contention of actuaries and rating men that though safe driver reward plans may be of value to individual companies for selling purposes, they are economically impractical for adoption by the insurance business as a whole.

Some of those in the business have contended for a long time that because of the wide spread and enormous volume of automobile risks, selection has to be done principally by class. If companies generally go two accidents with an insured, and about 95% of insured involved in accidents are there for the first or second time only, this certainly seems to be the case. Watching selection becomes principally a matter of guarding against getting too many representatives of a poor class and being sure to get enough representatives of good classes to achieve the objective of all insurers, which is to have a representative book of business, not do worse than the average and perhaps do a little better. Farmers, for example, are considered a good class of risk—perhaps partly because they don't live in congested areas where, all other things being equal, there will be more accidents than there will be in less thickly settled territories. On the other hand, doctors are considered fairly poor risks—partly, perhaps, because of exposure, but also they are well insured, and because of the nature of their vocation they are

not subjected to ordinary police discipline.

This does not mean that there are not repeaters, accident prone drivers, and, most important of all, irresponsible drivers who become involved in accidents because they have little or no consideration for the rights of others. Underwriters will continue to look for indications of these types, and there will continue to be individual risk underwriting. However, if there were some way of inexpensively and easily determining and getting out of the way the selection against individual bad risks, such as a signed application with respect to previous accidents which becomes a warranty in the policy, underwriting by class would be a comparatively simple affair, and life would be much simpler for automobile insurers.

The New York accident figures do seem to suggest that an insurer writing a very large volume of automobile insurance in all kinds of territories would have difficulty proving that it can establish and maintain a very large superiority over other insurers strictly on selection alone.

If the figures are accurate, or nearly so, and the vast majority of persons involved in accidents are there for the first time, the figures have a sobering effect about the outlook for improving the traffic safety record. But the statistics point up the values of high school driver education, the importance of certain engineering-tested improvements such as good corners to replace bad ones, etc. Beyond this, the insurance business, police and the state are working on a small percentage of bad drivers where perhaps the police power or its equivalent are necessary to improve the principal ingredient of traffic accidents, the drivers. Certainly as long as bad drivers can get insurance accommodation in assigned risk plans, the insurance business cannot exert the direct discipline on drivers of refusing to write them.

Actuaries, underwriters and others long have contended that it is fundamentally uneconomic for the whole business to reward the good driver and penalize the bad one, and for this reason, that so small a percentage of insured are involved in accidents. The moribund preferred auto risk rating plan in New York is an example in point. However, driver reward plans

for no accidents certainly have a selling value.

In conclusion it must be said that just about the time an observer concludes figures in the auto safety or auto insurance field mean something surely, someone proves that they do not, or do not for sure.

and Baltimore last week. Several were killed and many injured in the accident. Mr. Neville and Mr. Budlong were shaken up.

DEATHS

SAMUEL B. McALLISTER, 63, vice-president of the Daly general agency at Denver, died at his home there of a heart attack. He joined the agency in 1924. Mr. McAllister was a past-president of Fire Underwriters Assn. of the Mountain States and a PMLG of the Colorado pond of Blue Goose.

HENRY W. WADSWORTH, 81, a partner in Wadsworth & Olmstead agency of Syracuse, N. Y., died in University hospital there. He started in insurance more than 50 years ago. He was past president of Insurance Federation of America, Insurance Federation of New York and Syracuse Underwriters Exchange.

JOHN B. JOHNSON, 64, assistant secretary of Aetna Casualty, died in Hartford. He was with the company for nearly 40 years. After field work, he went to the home office in 1933 as superintendent of the automobile department. He was named assistant secretary in 1936.

CHARLES TROWBRIDGE, 50, superintendent of the fire loss department at the home office of American Casualty, died at Reading, Pa., of a coronary thrombosis. He had been in claims work for 28 years. He joined American Casualty in 1944 when its affiliate fire company was first organized. He had been under treatment for a heart condition for the past year, but worked until noon of the day of his death. Then he returned to his home, complaining of feeling ill. The fatal attack occurred that evening.

J. A. BRACKNEY, retired insurance veteran of Dallas, Tex., died in a Dallas hospital of a heart attack. Most of his long career was spent in the fire industry in Dallas. He began with the Scruggs general agency and from 1912 to 1933 was with Aetna Fire. He retired as state agent for Aetna in 1933 and was local manager for Stock Company Assn. until 1941.

LEONARD T. COLLINS, 34, casualty special agent of Fireman's Fund in New Hampshire, died in New England Baptist hospital, Boston. Prior to joining the company five years ago, he was with Boston office of Phoenix of London.

JOSEPH A. SWETT, secretary of American who died suddenly in St. Stephen, New Brunswick, Can., started his insurance career with Globe Indemnity in the New York home office in 1915. He joined Commercial Casualty in 1923 as manager of the automobile department, subsequently advancing to

PERSONALS

Howard Starling, representative of Assn. of Casualty & Surety Companies, has been named by the Washington, D.C., traffic advisory board to a committee to investigate malpractices in the D.C. traffic school. The school was set up to instruct first-time traffic offenders in lieu of a formal court hearing.

Henry Gassmann of the Zeon Gassmann agency, Olney, Ill., and Miss Patricia Zuber were married recently at Ste. Marie, Ill.

Robert A. McLean, staff reporter of the *Boston Globe*, has been named executive secretary of Mutual Insurance Agents Assn. of New England, succeeding David K. Farnsworth of the Boston chamber of commerce, who resigned.

T. Coleman Andrews, chairman of American Fidelity & Casualty and former commissioner of internal revenue, has received the first national award for outstanding contributions in the field of tax administration from Tax Executives Institute in Washington, D.C. The award was an engraved silver bowl and was presented at a banquet by Charles W. Martin, institute president and tax executive of Anacanda Co.

The M. Taylor Pyne honor prize of Princeton university, awarded on the basis of "excellent scholarship, many qualities, and effective support of the best interests of Princeton," was given last week to **Coleman B. Brown**, the son of **Lloyd W. Brown**, second vice-president in the western department of Loyalty group. Coleman Brown is a junior at Princeton and is president of his class.

Simon Sheldon, deputy insurance commissioner of New Hampshire, is convalescing at his home in Concord, N.H., after a major operation.

HAROLD V. SMITH, chairman of Home, has been elected president of United Service Organizations fund of New York. USO is conducting a year long drive for \$1,600,000.

John F. Neville of American Insurance Assn. and **Theodore Budlong** of National Board were among those aboard the Pennsylvania railroad's crack Embassy train which derailed at 80 miles an hour between Washington

THE NATIONAL UNDERWRITER

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assistant secretary. He went to Bankers Indemnity, American affiliate, in 1932 as manager of the automobile department in the Newark home office. He was named manager of both the automobile and compensation and liability departments in 1935. He was appointed assistant secretary in 1937 and secretary in 1947. He was elected secretary of American in 1949. He was a member of Casualty & Surety Club of New York and resided in Maplewood, N. J.

J. O. DRINKWATER, 70, of the Drinkwater & Son agency at Kokomo, Ind., died there of a heart attack. He founded the firm with his father, the late W. W. Drinkwater, in 1930 and took over the agency when his father died a few years later.

ROBERT W. TURKINGTON, 35, partner in the John B. Green agency of St. Petersburg, Fla., allegedly killed himself by hanging in the garage of his Oakhurst home. Police said he had suffered a nervous breakdown in December. He had merged the Green agency with Ogden R. Moe agency a week before his death. He started in insurance in 1946, became general manager of the Green agency in 1951 and president in 1954.

MRS. KENNETH B. HATCH, wife of the president of Fire Association, was killed in an automobile accident in Frankfurt, Germany, where the couple had gone to attend the wedding of their son. Mr. Hatch was in the automobile and was shaken up but his injuries were minor.

MARVIN L. SCHMIDT, 58, local agent at Flint, Mich., died there of a heart attack.

ROY D. WILCOX, 65, a partner in the Wilcox general agency at Denver, died there after a short illness. He was a past-president of Fire Underwriters Assn. of the Mountain States and a PMLG of Colorado pond of Blue Goose. His son, John T., is also a partner in the agency.

EARLE R. HOTCHIN, 65, secretary of Michigan Assn. of Mutual Insurance Companies and former chief engineer of Michigan Millers Mutual of Lansing, died at Memphis, Tenn., where he was attending a faculty session of National Fire & Safety Conference. Death was

attributed to a heart attack. Mr. Hotchin retired from Michigan Millers last April after 39 years of service. He was chairman of the fire safety committee of the National Assn. of Mutual Insurance Companies and was active nationally in fire prevention groups.

EUGENE T. GREEN, who joined Interstate Indemnity in January to open its compensation department, died at a Los Angeles hospital. During his 20-year insurance career, he was superintendent of Pacific Indemnity's compensation department, foreign manager of the casualty department of American International Underwriters in the far east and Venezuela and, most recently, vice-president of Zenith National.

W. RALPH BROWN, 49, local agent at Albuquerque, N. M., died there of a heart attack. Mr. Brown moved to Albuquerque from New Castle, Ind., 13 years ago.

IMIB Withdraws Rule for Time Payments

The optional installment payment rule, filed by Inland Marine Insurance Bureau and approved in all but 10 of the jurisdictions in which the bureau is licensed, has been withdrawn at the direction of the executive committee of the bureau. This action was taken because the optional plan is not compatible with the bureau's standard short rate cancellation rules, according to the bureau.

The filing allowed installment payment of premiums of comprehensive dwelling policies or homeowners policies on the basis of a third annually plus a payment of 10% of the three year premium at the inception of the policy.

Minn. Buyers Meet

Minnesota chapter of American Society of Insurance Management at a meeting Feb. 28 in Minneapolis listened to E. Chambers of Minnesota Mining & Manufacturing Co. and D. L. Hall of Pillsbury Mills discuss the administration of the insurance function.

South Bend Agents Hear McClain

Harry McClain, secretary of Indiana Assn. of Insurance Agents, discussed agency organization at the February meeting of South Bend-Mishawaka Assn. of Insurance Agents.

Va. Liberalizes WC

Virginia legislature has passed a bill, backed by Gov. Stanley, which increases weekly workmen's compensation benefits from \$27 to \$30. Death benefits are increased from \$8,100 to \$9,000. Maximum disability payments are raised from \$10,000 to \$12,000.

Greater New York Insurance Brokers Assn. is urging adoption of the mandatory \$50 extended coverage deductible on buildings and exposed personal property for New York state. Presently New York has a voluntary deductible.

Joins Kansas Claims Service

Charles C. Keal Jr. has joined Kansas Claims Service as manager of a new branch office at Parsons, which will service 11 eastern counties.

He was formerly with Western Casualty and had 10 years of field and home office claim experience.

Insurers of Nashville heard an address by S. H. Warner of E. H. Crump agency of Memphis on commercial block policies at its regular monthly meeting. Commercial block form has been approved by the Tennessee insurance department.



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S. D. Agents Ask Stricter Control of Companies

HURON, S. D.—Stricter state controls over state insurance companies to prevent "another debacle" like the insolvency of Central Standard was called for in a resolution by directors of South Dakota Assn. of Insurance agents at a meeting here.

The directors asked for more thorough investigation of financial statements and operating methods of companies, changes in state laws to give the commissioner of insurance more

power and control over operations of companies, and a larger appropriation for the department.

Fire-Casualty Course in Pittsburgh

PITTSBURGH—The fire and casualty course at Business Training College here began Feb. 29 and will run Wednesday and Friday evenings from 6:30 to 9:30 and will cover 16 weeks. The first portion, on fire insurance, will last six weeks and the casualty portion 10 weeks. There will be separate examinations and registrations will be accepted for either portion separately.

Michigan Committee to Investigate WC Rates

LANSING, MICH.—In the midst of a legislative session which has seen the introduction of a record number of bills to liberalize the workmen's compensation act in Michigan, Gov. Williams has named a five-member committee to investigate WC rates.

The committee is authorized to conduct hearings to determine fair rates. Committee members are: Thomas H. E. Quinby, director of the WC division; Commissioner Navarre; John Reid,

commissioner of labor; Maurice Ewald, banking commissioner, and Max Horton, director of the unemployment compensation commission.

Committee members will serve without additional compensation and will be expected to make their own state-employed staffs available to assist the inquiry in any way indicated.

In announcing his decision to conduct an investigation, Gov. Williams said "the cost of compensation benefits is a matter of great concern to every employer and worker in the state."

Ready N. J. Brokers' List

New Jersey Assn. of Insurance Agents will have its list of members, called New Jersey Brokers' List, ready for delivery April 1. Members of the association may obtain copies for \$5 and non-members for \$10. Orders will be received at the headquarters of the association in Military Park hotel, Newark.

Fred Gray Co. Opens Life Unit

Fred L. Gray Co., managing general agency at Minneapolis, has opened a life department and will represent American National of Texas. The agency, which represents a strong line of property insurers, serves more than 500 local agents throughout Minnesota, Wisconsin, Michigan and Iowa. The life department will be supervised by John E. Reimann Jr.

NEWS BRIEFS

Employers of Alabama has promoted L. A. Corcoran from vice-president to first vice-president, Jesse Williams from claim department manager to claims vice-president, T. J. Huey from assistant secretary to fire vice-president, Ralph Sheppard from assistant secretary to WC and liability vice-president, Leslie W. Porter from assistant secretary to automobile vice-president, and O. E. Braddock to assistant secretary. Other promotions include Philip B. Porter to claims department manager, Mrs. Elizabeth Wadson to assistant manager of the claims compensation division, Robert Davidson to assistant manager of the automobile department, and Mrs. G. N. Irwin to assistant manager of the fire department.

Will C. Keller, past-president of Texas Assn. of Insurance Agents, and his wife have sold their interest in the Keller, Kenderdine & Keller agency at Palestine, Tex., to R. L. Kenderdine, who will operate the agency under the firm name.

The Page agency of Haverhill, Mass., was honored by Great American on the anniversary of its 75 years of continuous representation of that company. The agency was established by William H. Page and has been continued by his son, James G., and grandson, James R.

Rockville, Conn., agency of William V. Sadlak has been purchased by Rep. Antonio Sadlak and his wife. The late William V. Sadlak operated the agency 25 years and, since his death, his son, Francis, has operated it.

Insurance Women of Pittsburgh will hold its first education day for insurance women April 7 at the William Penn hotel. Oscar Beiling, superintendent of agency systems of Royal-Liverpool group, will be one of the speakers. The program will also include discussion of fire and casualty insurance.

Insurance Women of Albuquerque are sponsoring a 15-week course at the University of New Mexico which will conclude on May 14. The course covers all phases of fire and casualty insurance and will be taught by members of New Mexico Fire Underwriters Assn.

Robert H. Helling of the Marathon agency at Wausau, Wis., observed his 30th anniversary in the business and a move to new quarters with a cocktail party and dinner attended by some 40 staff members and field men. Charles P. Hall, a former field man and now a local agent at Wauwatosa, Wis., was toastmaster.



Profitable agency operation calls for intelligent system *kept within bounds*. Office routine and record-keeping may be vital procedures in your business. But to the extent that you let them hamper or confuse your basic *sales and service* functioning, you are like the forgetful fisherman who is held back by a hidden anchor left overside.

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Ready Southern Agents' Program

At Southern Agents Conference in Charleston April 5-7, J. Edwin Schachte Jr. of Charleston, president of South Carolina Assn. of Insurance Agents, will extend greetings from his group, and J. Ed McDavid, South Carolina's deputy insurance commissioner, will extend the official welcome.

Speakers will include President Kenneth Ross of NAIA, John V. Addy, vice-president of Appleton & Cox, New York, and General Mark Clark, president of the Citadel, Charleston, who will be the luncheon speaker April 7.

At the Saturday banquet R. M. Hitt Jr., editor of Charleston *Evening Post*, will serve as toastmaster and will present Harold S. Reeves, raconteur.

On Thursday the South Carolina association will be hosts at a reception for all those attending the convention. Friday noon the ladies will attend a fashion show luncheon at the Charleston country club. Friday afternoon the Citadel corps of cadets is holding a dress parade in honor of conference guests. Friday night a buffet dinner will precede dancing. Saturday afternoon will be devoted to historic and garden tours.

Sales-Aid Offers New Traffic Display Board

Sales-Aid Co. of Trenton, N.J., is marketing a new magnetic version of its "Viz-U-Lizer," a lightweight, three-piece blackboard for analyzing and reenacting traffic accidents. T. S. Reed, Trenton local agent, operates Sales-Aid Co.

The new model can be displayed upright on an easel. Models of trucks, cars, pedestrians, traffic signs, etc., are magnetized to permit them to stick to the board while it is in an upright position for classwork or display purposes.

The new board is made in three sections which can be interchanged to create practically any type of traffic intersection. The reverse side of one of the sections pictures a replica of a four-lane highway with safety islands. The back of the other sections have a blackboard type finish to allow drawing of unusual situations. Total weight of the board is 12 pounds.

Four Join U.S.F.&G. Staff at Columbus

Since moving to new offices at 781 Northwest boulevard, the Columbus, O., branch of U. S. F. & G. has made several new appointments to its staff.

William H. Albershardt, formerly with Ohio Inspection Bureau, was named special agent for fire and marine lines.

Carroll V. McKinney, formerly an underwriter for Nationwide group, joined U. S. F. & G. as a fire and marine underwriter.

Richard V. Skipp was transferred from the home office contract department to Columbus as a fidelity and surety underwriter and Charles H. Johnson joined the staff as a casualty underwriter.

R. I. Hears Proposals to Tighten FR Law

C. F. J. Harrington, executive secretary of National Assn. of Casualty & Surety Agents and former Massachusetts insurance commissioner, advised Rhode Island legislators to steer clear of compulsory automobile insurance, at a hearing conducted by a legislative commission.

He urged the adoption of a system of compulsory semi-annual motor vehicle inspection and said that the Mas-

sachusetts system with checkups at private garages has worked better than those of states with publicly owned testing facilities.

Proposals made at the hearing included impoundment, motor vehicle inspection, increase in required minimums of liability cover, repeal of a 1955 law exempting stoppage vehicles from safety responsibility, closing a loophole in the present law which makes it possible for a motor vehicle owner to duck financial responsibility by transferring the registration to someone else after an accident, and better all-round enforcement of highway safety laws.

Gulf and Atlantic Name 14 Officers

J. D. Daniels, A. R. Ruchel and Kellum Johnson have been elected senior vice-presidents of Gulf and Atlantic. These are newly created offices.

V. F. Chase Jr., V. W. Hagemann and W. H. Mansfield have been promoted from assistant vice-presidents to vice-presidents and John R. Betty and C. B. Mansfield were promoted from secretaries to assistant vice-presidents.

In other promotions, Paul Love, assistant secretary, was named secretary,

and R. P. Knight and C. H. Plummer were promoted from assistant treasurers to secretaries. M. M. Harrington, H. C. Lockett Jr., and O. H. Corbett were named assistant secretaries.

Mariners Nominate Gelderman in N. Y.

New York Mariners Club has nominated F. A. Gelderman of Fireman's Fund, skipper; W. B. Bolton of Marine Office of America, first mate; T. C. Johnson of American Home, purser, and T. E. Kennelly of St. Paul F.&M., yeoman.

Kansas City Fire and Marine Insurance Company

AS OF DECEMBER 31, 1955

ASSETS	Dec. 31 1955	Percent to Total Assets	Dec. 31 1954
Cash on Hand and in Banks	\$ 3,155,289.18	28.43%	\$ 3,002,208.31
Investments:			
Bonds:			
United States Government	718,640.30	6.47	741,869.26
Canadian Government (U. S. Dollars)	125,605.70	1.13	128,650.69
State and Municipal	2,937,699.58	26.48	1,754,031.72
Corporation and Miscellaneous	78,180.56	.70	45,000.00
Total Bonds	\$ 3,860,126.14	34.78%	\$ 2,669,551.67
Total Cash and Bonds	\$ 7,015,415.32	63.21%	\$ 5,671,759.98
Common and Preferred Stocks	2,639,598.00	23.78	2,194,482.00
Total Cash and Investments	\$ 9,655,013.32	86.99%	\$ 7,866,241.98
Agents' Balances (Less than 90 Days Due)	1,188,085.90	10.70	1,958,468.50
Due from Other Insurance Companies	164,895.73	1.49	173,671.64
Accrued Interest	32,401.62	.29	20,917.04
All Other Assets	57,972.81	.53	47,573.76
Total Admitted Assets	\$11,098,369.38	100.00%	\$10,066,872.92
LIABILITIES			
Reserve for Reinsurance Balances Payable	\$ 564,840.69		\$ 245,218.46
Funds Held Under Reinsurance Treaties	394,739.25		275,034.38
Reserve for Unearned Premiums	4,723,035.50		4,729,625.79
Reserve for Taxes	335,558.68		342,979.33
Reserve for Losses in Process of Adjustment	992,119.86		764,815.50
Reserve for All Other Liabilities	126,075.60		275,603.39
Total Liabilities, except Capital	\$ 7,136,369.58		\$ 6,633,276.85
Capital (100,000 shares; par value \$10.00)	1,000,000.00		1,000,000.00
Surplus	2,961,999.80		2,433,596.07
Surplus to Policyholders	\$ 3,961,999.80		\$ 3,433,596.07
Total Liabilities, Capital and Surplus	\$11,098,369.38		\$10,066,872.92

Bonds are carried on an amortized basis; stocks at December 31st market values as prescribed by the National Association of Insurance Commissioners.

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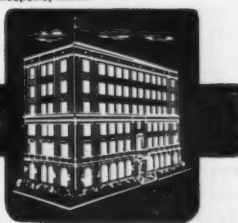


Kansas City Fire and Marine

Insurance Company

301 West 11th Street

Kansas City, Missouri



NEWS OF FIELD MEN

Fire Association Has Field Seminar

Fire Association held a 2½ day meeting in Absecon, N. J., for field men of 24 states to discuss basic problems of field activity. Key personnel at the session included P. W. Barnes, vice-president, and Richard Daum, secretary, of the New York office; Fred L. Michel, secretary, and Alvah Schuck, assistant manager, Chicago; and Hugh R. Lamar, secretary, and William C. Fox, assistant manager, Atlanta.

Five smaller group meetings during the session considered problems such as office management, selling techniques and appointment of new agents.

In addition there were panel discussions and short talks by company executives. A special panel was held on selling the homeowners policy. A special advertising and promotion plan for homeowners policies will be put into effect this year. The plan will include a new direct mail program.

Rhode Island Field Men Honor J. E. Borhek

Rhode Island Insurance Fieldmen's Assn. at the February meeting in Providence, heard a report on the annual meeting of Eastern Underwriters Assn. by President Philip Hall of Boston, Timothy Hopkins of Phoenix-Connecticut group and Richard Walters of National of Hartford.

John E. Borhek of Employers Liability group, a past-president, was presented with a table lighter by Warren Campbell of Home, senior field man in the state. Mr. Borhek is being transferred to Detroit as resident manager.

C. B. Hulse, manager of Dictograph Co., discussed dwelling fires and demonstrated a device to detect dwelling fires and sound an alarm.

Pacific Coast Field Men of Security Rally in Cal.

The Pacific department of Security of New Haven held a field conference at Palo Alto last month. All special agents for the eight western states were present as were key executives from the Pacific coast head office in San Francisco.

Ferdinand A. Hall, secretary and Pacific coast manager, directed the conference, assisted by A. G. Peterson, associate manager. G. A. Lawton, executive vice-president of Security-Connecticut Life, spoke on "Life Insurance." Security-Connecticut Life has recently been entered in California and Arizona. Other speakers were Assistant Managers Joseph Malfanti, G. H. Murdock, and John Stephens; Vahram Cherezian, chief fire underwriter; Seymour Muir, chief automobile and casualty underwriter, and Robert McCarthy, chief marine underwriter. William Niederdecker of American International Underwriters was a guest speaker.

Neider in La. Field

Northern Assurance has appointed Harold J. Neider state agent for Louisiana. He was formerly with Louisiana Rating & Fire Prevention Bureau.

Alamo Pond Initiates 13

Alamo (Tex.) pond of Blue Goose initiated 13 goslings at the mid-year meeting.

Presiding at the ceremony were Forest McPhaul of Southwest General,

MLG; Frank Quirk of Quirk & Sons, supervisor; Willard Heath of Heath Claims Service, custodian; Harold Bracher of Great American, guardian, and Claude Skinner of Skinner Claims Service, welder. Kenneth Johnson of Loyalty group, keeper, gave the charge and C. A. Hutto of General Adjustment Bureau gave the admonition.

American Makes Field Changes in Ill., Ga.

American has shifted two special agents in Illinois and has appointed another in Georgia. Fred Rust has transferred from northwest to central Illinois with headquarters at Decatur. He replaced C. Gene Swenson who transferred to eastern Missouri with headquarters at St. Louis. Both men worked in the western department at Rockford before their field assignments and both are graduates of the home office advanced multiple line training class.

Charles E. Peters is the new Georgia special agent with headquarters in Savannah. He was formerly a local agent there.

Mich. Fire Underwriters to Hold PR Seminar

Michigan Fire Underwriters Assn. will hold its annual public relations seminar at East Lansing, March 15. Don A. Cameron, state director, public relations committee of the association, and Carl L. Strong, coordinator of continuing education service, Michigan State university, will be in charge.

J. P. Martin, Ford Motor Co., and Donald E. Truitt, E. E. Jennings and Harold E. Gray, all from Michigan State university, will speak.

Peery Heads Tenn. Fire Prevention Unit

Tennessee Fire Prevention Assn. has elected Robert Peery of Travelers president, W. P. Bass of Fire Association vice-president and Felix Ray, retired field man of America Fore, secretary.

The association will hold its annual meeting June 12-13 at Gatlinburg in conjunction with the annual meeting of Tennessee Fire Underwriters Assn.

Nashville Fire Prevention Board has started monthly fire prevention seminars in cooperation with Tennessee Fire Prevention Assn. and the state fire marshal.

C. & R. Names Roberts Tex. Special Agent

J. B. Roberts has joined Corroon & Reynolds as special agent in western Texas with offices at Plainview. He started his career as special agent for Home and was with Cimarron as special agent in western Texas prior to his present position. He will work with J. W. Reynolds, state agent, and Eldo Johnson, special agent.

Conn. Field Club to Meet

Members of the Connecticut department will present a report on investigations of excessive rates charged by automobile finance companies at the March 5 meeting of Connecticut Field Club in Hartford.

Cherokee has named John F. Hazen marine manager at Nashville. Formerly with Aetna Fire at Birmingham, he will administer and coordinate development and underwriting of all marine business in the five states in which Cherokee operates.

Pa. Club, Oldest in U. S., Marks 50th Year

Smoke & Cinder Club of Western Pennsylvania has marked its 50th anniversary. It is the oldest field club in the country. A dinner-dance in early spring will celebrate the occasion. Gordon Waters of Agricultural group will be chairman.

Great American Names Buckel in N. E. Indiana

Gale J. Buckel has been promoted to special agent for Great American in northeastern Indiana to succeed William J. Jones, who has resigned.

Mr. Buckel has been in insurance for 14 years, starting with a Chicago agency. He had experience in the company ranks before joining Great American, where he has most recently been in the Cook county department.

Mr. Buckel will have headquarters in Fort Wayne.

Election Slate Set for Pacific Fire Underwriters

David A. Barry of Pearl has been nominated for the presidency of Fire Underwriters Assn. of the Pacific. The election will be held at the annual meeting, March 8, in San Francisco.

Other nominees are John J. Haster of Swett & Crawford, vice-president; Russell A. Countryman (retired), secretary; Paul Norman (retired), treasurer, and Rutherford Pates of Marsh & McLennan and A. W. Gilbert of Pacific Fire Rating Bureau, directors.

Security-Conn. Names Goepfert to Ohio Field

Security-Connecticut has appointed John V. Goepfert special agent in northeast Ohio with offices at Cleveland. He started in insurance with Loyalty group. Following field and adjusting work in New England, he transferred to Cleveland as multiple line field man.

Baltimore Pond Honors Robert Wiseman, MLGG

More than 70 members of Baltimore pond of Blue Goose honored Robert L. Wiseman, MLGG, and his wife at a dinner party in Washington, D. C. The affair was the first dinner-dance held solely for pond members. Wayne Woodworth of Home was in charge of arrangements.

St. Paul F. & M. Names Edsall in Illinois, Ind.

St. Paul F. & M. has appointed Roy O. Edsall special agent to service farm and crop-hail business in Illinois and Indiana. He will have headquarters at Decatur, Ill.

Marvin Security-Conn. Special Agent in Cal.

Security-Connecticut has appointed Robert E. Marvin special agent in California at Oakland. He was a former special agent of Springfield F.&M. He will assist W. E. Miller.

McCullough Addresses N. J. Fieldmen's Assn.

Roy C. McCullough, manager of Multiple Peril Insurance Rating Organization, spoke at a recent meeting of New Jersey Insurance Fieldmen's Assn. in Newark. He discussed the latest trends and developments of the homeowners policy.

Flood Talk in So. Cal.

LOS ANGELES—W. J. Manetta, division engineer of the project plan-

ning division of Los Angeles county flood control district, addressed the February meeting of Southern California Fire Underwriters Assn. and told of what has been done in the way of combatting the flood menace.

North British Names Moore Special Agent

North British has appointed Charles L. Moore special agent in western Michigan with headquarters in McKay Tower building, Grand Rapids. He will assist Donald Cameron, state agent.

Mr. Moore was a former inspector with Michigan Inspection Bureau in the Saginaw area. He will specialize in assisting agents in solving rating problems.

Two Johnsons Get Kan., Mo. Field Posts

Royal Exchange has appointed Donald C. Johnson and Walter C. Johnson special agents in Kansas and Missouri. Donald Johnson will have headquarters in Louisville, Ky. He has been with Kentucky Inspection Bureau.

Walter C. Johnson will work under James M. Martin, state agent out of Kansas City. He formerly was in the fire underwriting department in New York City.

McBride Joins Hanover in Indiana Field

William R. McBride has been appointed state agent in northern Indiana for Hanover with headquarters at South Bend.

Mr. McBride was with Indiana Rating Bureau and for five years has traveled Indiana and another state for a large stock group.

Royce to Local Agency

Marshall Royce, special agent for American of Newark in Kentucky, has joined the Lang & Co. agency of Louisville.

A & S

National A&H One for Four Dividend

Stockholders of National A&H, Philadelphia, have approved an increase of capital stock from \$400,000 to \$500,000, to be effected by a one for four stock dividend to holders of record March 1.

At the annual meeting, John S. Rice, secretary of property and supplies of Pennsylvania, and P. Webb Casey, Philadelphia insurance attorney, were elected directors.

Wash. National, Mass. Bonding Answer FTC

Washington National and Massachusetts Bonding have answered federal trade commission complaints charging them with misrepresentation of their A&S policies. Denying the allegations and alleging that FTC does not have jurisdiction over the companies, they declared they are regulated by the states in which they do business and ask that the complaints be dismissed.

Washington National, in its answer, stated that the statements cited in the complaints were taken out of context so that when read alone they created an entirely different meaning and impression than when read with the entire statements.

Massachusetts Bonding declared its advertising is designed for use by agents in interviews and is not used

to induce members of the public to become insured.

Meanwhile, FTC Examiner Hier scheduled hearings this week on FTC complaints against Minnesota Commercial Men's Association in Minneapolis, World in Omaha, and Illinois Traveling Men's Health in Chicago. William A. Somers was scheduled to serve as FTC attorney at the hearings.

Close FTC Hearing on United, Chicago, Ads

Federal trade commission at a hearing before Examiner Laughlin at Chicago last week completed submission of its exhibits in connection with the complaint charging United of Chicago with false and misleading advertising of A&S policies.

In submitting the exhibits, which were identified by N. P. Parkinson, assistant to the president of United, FTC counsel F. J. McManus apparently was attempting to establish for the record the interstate aspects of the company's business. Unlike the FTC counsel in the hearing on similar charges against Bankers Life & Casualty, Mr. McManus based his case solely on the exhibits offered and did not call witnesses to support the FTC charges. At the Bankers hearing, the testimony of the FTC witnesses generally was discredited upon cross examination.

After the transcript of the testimony is completed, United intends to move for dismissal of the charges because of lack of jurisdiction and also because of the FTC's failure to submit adequate proof of the charges.

Philadelphia Schools Switch Accident Cover

Philadelphia board of education has changed its group accident cover for employees and pupils from World of Omaha to North American Accident.

World asked an increase in annual premium from \$1.25 to \$2 per person. North American rates are \$1 for pupils and personnel in the elementary and junior high schools and \$1.25 for those in senior high schools. The plan covers any type of accident occurring on school premises or enroute to school, excluding football injuries.

American Health Awards Top Agency

American Health of Baltimore named Mark A. Bird agency of Charleston, W. Va., agency of the year for 1955 at the company's annual convention in Hershey, Pa.

Mr. Bird received the president's plaque for outstanding performance from W. deV. Washburn, president. Mr. Bird started in insurance in 1921 and has represented American Health since 1938. He is vice-president of the Charleston Assn. of A&H Underwriters.

MacDonald Talks at Madison

Roy A. MacDonald, director of company relations H&A Underwriters Conference, spoke at the February meeting of Madison (Wis.) Assn. of A&H Underwriters.

Plan Congress at L.A. May 18

Los Angeles A&H Managers Club will conduct a sales congress May 18. The February speaker was Major Tonny Van Renterfhen, formerly of the Netherlands army.

Many A&S Benefits Offered to Older Ages, Survey Shows

A survey of present coverage available and underwriting practice prevailing in the area of individual and family A&S insurance has been completed by Bureau of A&H Underwriters and H&A Underwriters Conference. It shows, among other things, that there is more A&S protection available to persons 61 years of age and older than is commonly realized.

Current underwriting practice in determining age limits makes no distinction as to the sex of the applicant. Varying with the company the age of issue limit for new business ranges from 55 to 85 years, and some insurers have no age limit. The average maximum issue age is 67 years with 60 the limit most frequently cited, the report reveals. It was the first study of individual and family A&S undertaken by the two A&S associations.

Forty nine percent of the 186 companies surveyed set no age limit on renewals. The rest had an average renewal limit of 70.

The quality of coverage for persons in the 61 years and older age brackets in terms of benefit allowances varies little from that provided the younger age classes, the report indicates. Average maximum surgical benefit for the older ages is \$248 and the average minimum hospital room and board benefit is \$13 a day. Thirty-one companies reported they made no reduction in miscellaneous hospital expenses for the older ages and more than two-thirds reported they made no distinction between miscellaneous hospital expenses benefits for the older age insured than for all their insured. Average in-hospital doctor visits for the older age brackets is \$3 a visit, and private duty in-hospital nursing benefit average is \$10 a day for an average period of one month.

Taking into consideration all age groups, the average maximum daily room and board benefit currently available is \$15 a day, with \$10 a day the most popular sold, the report goes on. Of the companies reporting on hospital benefits, 60% provide miscellaneous benefits in an amount up to 10 times the daily room and board benefit—a \$100 allowance is estimated as the sum commonly in force for miscellaneous in-hospital services. Varying from 30 days to 500 days, the average maximum period of hospital confinement currently offered is 107 days.

There is a wide variation in the maximum amount of surgical coverage available for all age groups, ranging from \$125 to \$600, and the average is \$290. However, the most popular schedule sold is \$200.

Two-thirds of the companies surveyed offer benefits for visits by the doctor at the hospital. While coverage is available for in-hospital doctor care for periods of three months, and in one case 500 days, the average period offered is eight weeks with the average period sold, 30 days.

Coverage for in-hospital private duty nursing is provided by 33 companies with the average benefit allow-

ance of \$10 a day for an average period of three months.

The most frequently found exclusions in A&S policies, the report showed, are war; accidents or sickness for which workmen's compensation pays benefits; military service; treatment in a veterans' hospital or other government facility, and pre-existing conditions.

NAIC Rules on A&S Ads Are Adopted in Iowa

Commissioner Bennett of Iowa has adopted the NAIC rules on A&S advertising "as an interpretative guide" to the newly enacted insurance fair trade practice act in Iowa. The trade practice act covers methods of unfair competition and deceptive practices, and a substantial portion of it deals with advertising.

Md. Passes A&S Bills

The Maryland legislature has passed several A&S bills, including uniform provisions, giving insured 10 days in which to study policies after they have been issued, and giving definitions of transportation ticket A&S.

Travelers Gets United Aircraft Group A&S

Travelers has been awarded the group hospital benefit plan of United Aircraft Corp.

The Travelers benefit plan calls for major medical coverage for catastrophic illnesses. The insurance package will cover all employees requesting it and also their families. About 90,000 family members and employees of the corporation will be covered under the new group hospital benefit plan.

Hospital expense benefits will provide more liberal benefits than were previously in effect.

Ky. Commissioner Sets Hearing on NAIC Ad Code

Commissioner Thurman of Kentucky has called a hearing of all A&S insurers in the state on March 8 at Louisville to consider adoption of the NAIC code for A&S advertising in the state.

Joins Cal. Physicians Service

Etchel R. Paolini has been named vice-president and general manager of California Physicians Service (Blue Shield).

Worcester Mutual Fire Insurance Company

ESTABLISHED 1823

Oldest Fire Insurance Company in Massachusetts

132nd Annual Statement of Condition

as of December 31, 1955



WORCESTER, MASSACHUSETTS

Officers

MINOTT M. ROWE President
HARRY HARRISON Chairman of the Board
C. CLAYTON YOUNG Vice President
JOHN P. SEDGWICK Chairman of Finance Committee
ROBERT L. FREEMAN Secretary and Treasurer
DWIGHT A. PERKINS Assistant Secretary
AARON GOODALE, JR. Assistant Secretary
RAYMOND A. PELLETIER Assistant Treasurer

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ERNEST P. BENNETT Retired
C. CLAYTON YOUNG President—Clayton-Sumner Co.
WARREN G. DAVIS Treasurer—The Davis Press, Inc.
WALTER G. BUTLER President—Perkins & Butler, Inc.
MINOTT M. ROWE President of the Company
JOHN P. SEDGWICK Vice President—State Mutual Life Assurance Co.
EDWARD L. CLIFFORD President—Worcester County Trust Co.
ROBERT L. FREEMAN Secretary and Treasurer of the Company

ASSETS

CASH IN BANKS AND OFFICE	\$520,824.59
U.S. GOVERNMENT BONDS (Amortized Values)	2,592,405.85
OTHER BONDS (Amortized Values)	2,498,587.07
STOCKS (Market Values)	
Pfd.	\$1,098,750.00
Com.	1,603,122.00
AGENTS' BALANCES	2,701,872.00
REAL ESTATE	685,514.95
OTHER ASSETS	920,917.46
	63,012.63
	<u>\$9,983,134.55</u>

LIABILITIES

RESERVE FOR:	
LOSSES AND ADJUSTMENT EXPENSES	\$612,485.57
UNEARNED PREMIUM	5,417,688.71
TAXES AND EXPENSES	245,065.59
Surplus to Policyholders	3,707,894.68
	<u>\$9,983,134.55</u>

AN AGENCY-WRITING COMPANY ISSUING ONLY NON-ASSESSABLE POLICIES

PALM SPRINGS • RIVERSIDE • CORONA

Jack Hill & Company

*3680 6TH STREET, RIVERSIDE, CALIF.

Overland 6-3553, day or night

NIGHTMARE... ON TWO WHEELS

An important client wants coverage on Junior's motor-scooter. He doesn't want excuses . . . just insurance. And if he doesn't get what he wants there is a distinct possibility that he will take his business somewhere else.

It's a common problem these days . . . but one that Illinois R. B. Jones can answer quickly and efficiently. That's because Illinois R. B. Jones has unmatched facilities for placing coverage on motor-scooters, motor bikes and motorcycles.

If the two-wheel trade is giving you nightmares, call on the well known services of Illinois R. B. Jones.

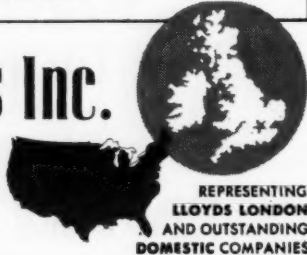
Illinois R. B. Jones Inc.

175 W. Jackson Blvd., Chicago 4, Ill.

Wabash 2-8544 • C. Reid Cloon, Pres

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William E. Lersch, Vice-President



REPRESENTING
LLOYD'S LONDON
AND OUTSTANDING
DOMESTIC COMPANIES



Never underestimate
the value of your
Insurance Agent

The insurance agent is a very important man in any community. In addition to the many hours he devotes voluntarily to civic, religious and fraternal organizations that redound to the benefit of the public at large, he offers his clients professional advice on proper insurance coverage, services their claims and counsels them on safety and other preventive measures.

Your local insurance agent is a talented cog in the wheel of progress. Call on him whenever you need help.*

* Two-color reprints of this advertisement without Company name are yours for the asking. Write us.

PAWTUCKET MUTUAL
INSURANCE COMPANY

25 MAPLE STREET, PAWTUCKET, RHODE ISLAND

Incorporated 1848



Companies Report on 1955 Results

Surplus in the following company reports refers to surplus to policyholders.

Allied Compensation—Assets, \$4,041,621, incr., \$1,136,737; loss res., \$1,854,493; unearned prem., \$414,729; capital, \$450,000; surplus, \$1,102,829, incr., \$568,902.

	Premiums Earned	Losses Incurred
Workmen's comp.	3,129,458	1,776,735

American Credit Indemnity—Assets, \$16,252,642, incr. \$599,916; loss res., \$1,661,587; unearned prem., \$2,007,177; capital, \$1,500,000; surplus, \$11,183,810, incr., \$220,912.

	Premiums Earned	Losses Incurred
Surety	1,130	668,631
Credit insurance	4,265,881	668,631
Total	4,267,011	668,631

American Fidelity, Vermont—Assets, \$7,951,875, incr., \$1,463,504; loss res., \$2,570,579; unearned prem., \$2,307,082; capital, \$1,000,000; surplus, \$2,162,093, incr., \$237,368.

	Premiums Earned	Losses Incurred
Accident	573	103
Hosp. & med.	46	46
Workmen's comp.	848,856	463,431
Liability (not auto)	596,130	264,243
Auto liability	1,801,343	974,124
Auto PDL	917,167	461,611
Auto phys. dam.	9,510	3,379
PDL (not auto)	88,821	24,146
Fidelity	82,875	19,927
Surety	125,638	64,558
Glass	48,494	23,701
Burglary & theft	85,332	25,156
Total	4,604,990	2,324,383

American Health—Assets, \$1,823,001, incr., \$107,882; loss res., \$381,504; unearned prem., \$190,361; capital, \$300,000; surplus, \$525,035, incr., \$11,649.

	Premiums Earned	Losses Incurred
Accident	202,350	70,551
Hosp. & med.	3,066,632	1,570,171
Total	3,268,982	1,640,722

American Mutual Reinsurance—Assets, \$5,566,462, decr., \$3,576,883; loss res., \$553,660; unearned prem., \$281,875; capital, \$1,125,000; surplus, \$2,400,000, incr., \$385,000.

	Premiums Earned	Losses Incurred
Fire	484	36,509
Extended coverage	130	18,755
Other allied lines	432	1,397
Earthquake	6	172
Inland marine	431	172
Auto phys. dam.	15,383	27,272
Excess of loss rein.	1,123,263	722,697
Total	1,140,129	806,742

American Union—Assets, \$9,531,330, incr., \$183,387; loss res., \$698,935; unearned prem., \$3,448,543; capital, \$2,000,000; surplus, \$5,130,207, incr., \$265,825.

	Premiums Earned	Losses Incurred
Fire	1,902,803	1,011,301
Extended coverage	587,613	349,309
Other allied lines	16,752	7,960
Earthquake	13,535	113
Crop-hail	23,714	11,896
Ocean marine	1,390	1,005
Inland marine	97,476	60,575
Liability (not auto)	223	9
Auto phys. dam.	565,330	311,193
Glass	1,424	398
Burglary & theft	465	127
Homeowners	29,195	12,958
Mercantile block	9,641	2,586
Total	3,249,567	1,769,346

Atlantic, Dallas—Assets, \$9,306,370, incr., \$1,345,661; loss res., \$386,985; unearned prem., \$1,925,210; capital, \$1,000,000; surplus, \$6,567,962, incr., \$2,114,139.

	Premiums Earned	Losses Incurred
Fire	796,437	281,274
Extended coverage	566,710	265,456
Other allied lines	2,500	—986
Earthquake	16	—
Crop-hail	1,899	1,618
Inland marine	39,293	18,645
Workmen's comp.	2,619	1,766
Liability (not auto)	7,499	2,022
Auto liability	512,758	235,824
Auto PDL	364,913	151,367
Auto phys. dam.	347,190	157,964
PDL (not auto)	304	384
Surety	259	—
Glass	8,678	3,735
Burglary & theft	2,004	2,224
Total	2,653,087	1,120,298

Audubon—Assets, \$2,590,600, incr., \$469,806; loss res., \$193,278; unearned prem., \$1,406,894; capital, \$530,000; surplus, \$804,210, incr., \$131,196.

	Premiums Earned	Losses Incurred
Fire	208,799	111,089
Extended coverage	69,733	25,763
Other allied lines	1,435	519
Earthquake	631	29
Inland marine	10,165	6,990
Liability (not auto)	2,497	—63
Auto liability	199,110	55,039
Auto PDL	101,708	54,638
Auto phys. dam.	1,017,246	670,606
Burglary & theft	548	902
Boiler & machinery	317	21
Total	1,612,189	925,535

Auto Club of So. Calif.—Assets, \$32,375,831, incr., \$124,571; loss res., \$2,439,751; unearned prem., \$10,133,391; surplus, \$17,318,413, decr., \$134,736.

	Premiums Earned	Losses Incurred
Auto PDL	5,924,623	2,339,303
Auto phys. dam.	14,328,598	6,121,568
Total	20,253,221	8,460,871

Badger Mutual—Assets, \$9,001,779, incr., \$1,188,704; loss res., \$544,346; unearned prem., \$3,684,504; surplus, \$2,044,480, incr., \$244,286.

	Premiums Earned	Losses Incurred
Fire	1,689,573	638,712
Extended coverage	814,709	320,152
Other allied lines	14,533	1,429
Sprinkler leakage	890	230

	Premiums Earned	Losses Incurred
Earthquake	13	—
Inland marine	101,623	43,675
Comp. dwelling end.	371	87
Liability (not auto)	17,365	5,859
Auto liability	341,548	138,793
Auto PDL	183,669	110,201
Auto phys. dam.	258,693	131,061
Glass	334	8
Burglary & theft	1,268	112
Excess of loss rein.	27,785	21,872
Limited theft	144	107
Homeowners	8,433	1,641
Total	3,440,951	1,413,929

Bankers & Shippers, N.Y.—Assets, \$21,136,273, incr., \$1,495,346; loss res., \$1,156,281; unearned prem., \$5,849,794; capital, \$1,500,000; surplus, \$10,396,873, incr., \$1,149,800.

	Premiums Earned	Losses Incurred
Extended coverage	1,250,057	1,337,010
Other allied lines	24,821	68,763
Earthquake	12,427	—
Ocean marine	48,809	21,532
Inland marine	433,460	192,007
Liability (not auto)	3,577	774
Auto liability	20,989	8,604
Auto PDL	10,196	5,249
Auto phys. dam.	3,382,952	1,696,070
Aircraft PHD	58,936	39,027
PDL (not auto)	1,218	692
Surety	1,255	—
Glass	1,278	446
Burglary & theft	2,414	963
Multiple line NOC	118,911	32,232
Total	8,578,203	4,047,118

Beacon Mutual Indemnity—Assets, \$4,743,552, incr., \$610,029; loss res., \$1,632,486; unearned prem., \$1,306,341; guaranty capital \$292,300; surplus, \$1,448,813, incr., \$366,880.

	Premiums Earned	Losses Incurred
Inland marine cargo	2,319	1,358
Accident	16,933	8,187
A&S	62,511	30,821
Hosp. & med.	243,510	124,484
Liability (not auto)	112,247	29,934
Auto liability	1,156,550	523,500
Auto PDL	983,743	494,045
Auto phys. dam.	1,381,562	604,516
PDL (not auto)	32,322	18,651
Glass	11,139	4,154
Total	4,002,835	1,839,461

Boston Manufacturers Mutual—Assets, \$50,691,489, incr., \$626,070; loss res., \$2,466,807; unearned prem., \$20,900,752; surplus, \$25,969,113, incr., \$309,411.

	Premiums Earned	Losses Incurred
Fire	12,492,589	4,881,777
Extended coverage	103,506	9,828
Other allied lines	39,577	12,791
Excess of loss rein.	—	382,990
Total	12,665,196	5,287,396

California Compensation & Fire—Assets, \$11,863,579, incr., \$577,695; loss res., \$5,809,571; unearned prem., \$1,734,625; capital, \$753,269; surplus, \$1,941,292, decr., \$221,567.

	Premiums Earned	Losses Incurred
Fire	25,890	17,366
Extended coverage	3,150	2,839
Homeowners	370	2
Livestock	225	—
Earthquake	348	—
Workmen's comp.	3,657,342	1,362,317
Liability (not auto)	95,288	11,793
Auto liability	1,255,548	467,698
Auto PDL	689,039	235,546
Auto phys. dam.	1,095,337	414,431
PDL (not auto)	64,216	15,974
Total	6,866,788	2,557,972

*\$324,684 was transferred from surplus to capital upon combination with Great Western F&M, July 1, 1955.

Casualty Reciprocal Exchange, Mo.—Assets, \$7,917,812, incr., \$399,979; loss res., \$2,386,173; unearned prem., \$1,950,864; guaranty fund, \$1,817,828; surplus, \$1,817,828, incr., \$43,040.

	Premiums Earned	Losses Incurred
Fire	88,763	17,960
Extended coverage	24,560	10,514
Other allied lines	232	4
Earthquake	696	—
Inland marine	10,238	3,637
Workmen's comp.	1,317	499
Liability (not auto)	1,292,934	822,435
Auto liability	258,182	90,634
Auto PDL	1,764,160	1,032,325
Auto phys. dam.	873,084	385,065
PDL (not auto)	612,247	229,329
Glass	61,880	18,646
Burglary & theft	10,750	3,744
Total	5,019,723	2,624,410

Civil Service Employees, San Francisco—Assets, \$5,277,622, incr., \$1,009,024; loss res., \$1,435,805; unearned prem., \$1,299,371; capital, \$814,640; surplus, \$1,955,884, incr., \$217,159.

	Premiums Earned	Losses Incurred
Fire	85,776	29,288
Extended coverage	25,729	42,878
Earthquake	139	—
Liability (not auto)	26,984	12,204
Auto liability	1,492,077	1,068,209
Auto PDL	689,197	399,375
Auto phys. dam.	1,331,113	625,056
PDL (not auto)	247	—
Glass	230	—
Total	3,651,492	2,177,010

Detroit Mutual Auto—Assets, \$1,000,689, incr., \$126,383; loss res., \$312,455; unearned prem., \$204,383; surplus, \$275,248, incr., \$66,766.

	Premiums Earned	Losses Incurred
Liability (not auto)	137	—
Auto liability	265,595	129,616
Auto PDL	293,184	189,010
Auto phys. dam.	651,200	304,982
PDL (not auto)	28	—
Glass	233	120
Burglary & theft	192	379
Auto medical	48,089	23,952
Total	1,258,659	648,061

Donegal Mutual, Pa.—Assets, \$1,966,731, incr., \$270,258; loss res., \$167,765; unearned prem.,

\$1,067,554; guaranty fund, \$100,000; surplus, \$651,956, incr., \$80,276.

	Premiums Earned \$	Losses Incurred \$
Fire	441,413	144,534
Extended coverage	129,410	82,187
Other allied lines	1,693	694
Multiple line NOC	3,598	575
Sprinkler leakage		25
Liability (not auto)	7,964	3,145
Auto liability	145,796	70,823
Auto PDL	116,845	71,320
Auto phys. dam.	202,982	96,219
PDL (not auto)	918	714
Burglary & theft	51	—25
Fire, wind (assessment)	7,197	—440
Total	1,056,875	469,764

Eastern Casualty—Assets, \$686,172, decr., \$41,298; loss res., \$214,263; unearned prem., \$110,942; capital, \$136,919; surplus, \$173,374, decr., \$14,312.

Accident	899	206
A&S	147,365	125,980
Hosp. & med.	363,280	192,516
Group A&S	1,131,214	725,257
Total	1,642,759	1,043,961

Employers Mutual Casualty, Des Moines—Assets, \$39,701,331, incr., \$3,007,269; loss res., \$12,702,407; unearned prem., \$11,252,296; surplus, \$11,179,704, incr., \$1,038,056.

Fire	502,908	198,040
Extended coverage	155,404	62,742
Other allied lines	9,154	3,888
Earthquake	298	34
Inland marine	12,568	7,888
Accident	95,592	48,072
Hosp. & med.	514,551	158,859
Workmen's comp.	6,296,902	3,540,180
Liability (not auto)	1,505,111	330,402
Auto liability	5,982,725	3,180,737
Auto PDL	3,819,423	1,918,447
Auto phys. dam.	5,002,850	2,264,809
PDL (not auto)	433,825	146,050
Fidelity	69,789	2,220
Surety	358,300	117,935
Glass	123,325	52,117
Burglary & theft	235,099	104,492
Excess of loss reins.	71,682	71,259
Total	25,189,522	12,208,159

494,516	Employers Mutual Fire, Wausau—Assets,	
604,045	\$11,156,744, incr., \$1,122,324; loss res., \$583,693;	
18,651	unearned prem., \$3,836,410; surplus, \$5,876,552,	
4,154	incr., \$522,990.	
830,461	Fire	1,399,079 363,861
\$50,-	Extended coverage	511,537 131,184
7; un-	Other allied lines	3,704 597
69,113,	Multiple lines NOC	18,744 5,290
	Earthquake	556
881,777	Inland marine	384,300 142,182
8,828	Auto phys. dam.	2,551,353 1,088,494
12,791	Aircraft PHD	1,042 711
382,990	Excess of loss	2,970 66,474
287,398	Total	4,873,238 1,798,796

Employers Mutual Liability, Wausau—Assets,		
\$5,111,039, incr.,	\$181,011,039, incr.,	\$17,285,978; loss res., \$89,497,110; unearned prem., \$25,620,638; surplus,
\$44,236,935, incr.,	\$5,710,918.	
17,366	Fire	26,318
2,839	Extended coverage	6,927
2	Other allied lines	170
	Earthquake	42
	Inland marine	2,452
362,317	Group A&S	6,306,321
11,793	Workmen's comp.	54,953,926
235,546	Liability (not auto)	9,869,585
114,431	Auto liability	6,851,633
13,974	Auto PDL	3,667,655
297,272	Auto phys. dam.	1,349,812
us to	Aircraft PHD	9
estern	PDL (not auto)	2,620,393
	Fidelity	1,349,972
	Glass	97,058
	Burglary & theft	454,267
Assets,	Excess of loss	308,437
36,173:	Total	87,865,228

fund,	Employers Reinsurance—Assets, \$61,313,893,	
0.	incr., \$5,077,524; loss res., \$25,480,246; unearned	
17,960	prem., \$11,319,623; capital, \$2,500,000; surplus,	
10,514	\$16,017,625, incr., \$2,559,672.	
4	Fire	
	2,011,976	907,519
3,637	Extended coverage	772,511
22,499	Other allied lines	25,359
22,335	Earthquake	11,839
90,834	Crop-hail	158,134
32,325	Inland marine	140,527
85,065	Multiple peril	13,331
29,329	A&S	938,920
18,646	Hosp. & med.	53
3,744	Group A&S	131,020
9,620	Non-can. A&S	92,315
24,410	Workmen's comp.	1,279,980
	Liability (not auto)	965,480
—As-	Auto liability	7,020,244
\$1-	Auto PDL	547,495
capital,	Auto phys. dam.	332,411
59.	Aircraft PHD	386
29,288	PDL (not auto)	176,032
42,878	Fidelity	667,137
	Surety	2,672,072
68,209	Glass	11,188
99,375	Burglary & theft	244,733
25,056	Boiler & machinery	60,691
	Credit	544,658
	Total	18,798,492

77,010	Fidelity Mutual, Indianapolis—Assets, \$4,630,331, incr., \$154,541; loss res., \$1,171,861; unearned prem., \$1,803,948; capital certificates, \$250,000; surplus, \$1,252,529, incr., \$102,185.	
incr.	Auto liability	1,256,276 584,421
rem.,	Auto PDL	953,117 339,497
	Auto phys. dam.	1,407,755 647,144
29,616	Auto medical	186,938 124,077
39,610	Excess	923 4,263
14,982	Total	3,885,011 1,696,404
120	Financial Indemnity—Assets, \$2,609,523, decr., \$61,728; loss res., \$325,970; unearned prem., \$1,026,633; capital, \$300,000; surplus, \$642,354, incr., \$142,231.	
379	Liability (not auto)	794
23,952	Auto liability	346,930 135,072
18,061		
incr.		
rem.,		

	Premiums Earned \$	Losses Incurred \$
Auto PDL	239,173	63,937
Auto phys. dam.	1,912,594	662,214
Total	2,499,491	861,223

Founders, Los Angeles—Assets, \$9,520,670, incr., \$913,377; loss res., \$1,886,353; unearned prem., \$3,559,504; capital, \$1,030,000; surplus, \$3,268,468, incr., \$422,887.

Fire	917,167	467,017
Extended coverage	316,439	118,168
Other allied lines	9,489	7,531
Earthquake	10,569	499
Crop-hail	12,246	6,798
Ocean marine	324,580	155,380
Inland marine	404,541	176,813
Miscellaneous	38,913	26,227
Accident	5,075	6,805
Group A&S	2,077,425	1,493,113
Liability (not auto)	232,170	33,761
Auto liability	856,722	333,393
Auto PDL	418,025	167,150
Auto phys. dam.	813,022	402,410
PDL (not auto)	52,910	8,687
Fidelity	15,203	5,213
Surety	97,519	24,991
Glass	43,369	19,152
Burglary & theft	88,538	41,887
Multiple line NOC	404,760	211,146
Total	7,188,680	3,706,144

Freeport Ins. Co., Ill.—Assets, \$8,885,512, incr., \$755,411; loss res., \$1,597,534; unearned prem., \$2,645,645; capital, \$700,000; surplus, \$3,787,252, incr., \$231,484.

Fire	15,225	5,493
Extended coverage	8,227	5,270
Sprinkler leakage	11	
Liability (not auto)	134,104	30,187
Auto liability	1,621,280	895,620
Auto PDL	1,152,446	568,643
Auto phys. dam.	2,157,915	910,329
PDL (not auto)	25,264	17,076
Auto medical	336,354	158,179
Other medical	31,599	22,192
Total	5,482,425	2,612,989

General Ins., N.Y.—Assets, \$3,679,505, incr., \$69,456; loss res., \$200,035; unearned prem., \$1,475,739; capital, \$500,000; surplus, \$1,963,110, incr., \$89,455.

Fire	882,197	462,160
Extended coverage	303,350	131,594
Other allied lines	7,749	6,280
Homeowners	2,727	1,215
Earthquake	3,423	135
Crop-hail	14,888	7,816
Ocean marine	76,465	62,067
Inland marine	5,088	3,971
Workmen's comp.	2	
Liability (not auto)	3	
Auto liability	145	14
Auto PDL	31	15
Auto phys. dam.	46	5
Aircraft PHD	2	
Glass	18	3
Burglary & theft	199	2
Total	1,296,333	675,257

Gulf, Dallas—Assets, \$42,239,364, incr., \$7,519,974; loss res., \$2,787,430; unearned prem., \$15,821,114; capital, \$2,500,000; surplus, \$22,112,317, incr., \$5,385,892.

Fire	4,913,797	2,026,492
Extended coverage	2,405,445	1,342,899
Other allied lines	23,658	1,003
MPIRO	26,939	3,281
Earthquake	13,603	
Crop-hail	9,535	4,263
Inland marine	576,995	232,252
Workmen's comp.	4,449	4,389
Liability (not auto)	124,719	42,477
Auto liability	2,484,673	1,263,294
Auto PDL	1,550,678	702,655
Auto phys. dam.	2,951,197	1,272,639
PDL (not auto)	12,151	4,137
Surety	3,183	
Glass	81,171	29,212
Burglary & theft	24,422	9,989
Total	15,216,622	6,938,987

Hawkeye-Security—Assets, \$9,436,143, incr., \$833,318; loss res., \$2,027,523; unearned prem., \$3,543,624; capital, \$1,390,055; surplus, \$2,665,051, incr., \$165,340.

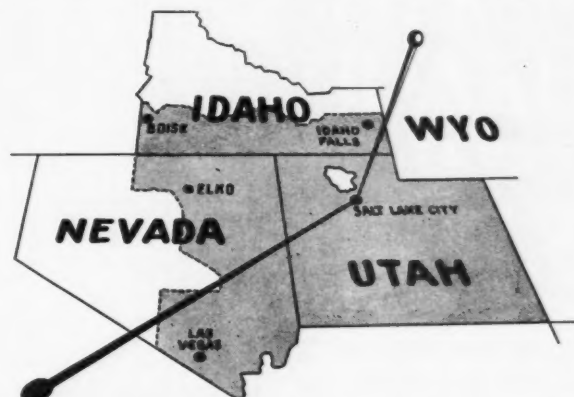
Fire	470,214	215,333
Extended coverage	232,121	96,018
Other allied lines	3,697	447
Homeowners	1,197	538
Earthquake	36	
Inland marine	36,982	10,845
A&S	1,138	178
Workmen's comp.	1,160,074	623,116
Liability (not auto)	518,179	118,804
Auto liability	1,110,687	453,944
Auto PDL	789,186	339,991
Auto phys. dam.	1,250,608	543,305
PDL (not auto)	152,944	34,525
Fidelity	60,990	7,293
Surety	157,029	34,739
Glass	43,894	15,814
Burglary & theft	74,171	16,933
Total	6,063,149	2,511,823

Highway Casualty Co.—Assets, \$6,033,795, incr., \$731,521; loss res., \$2,463,614; unearned prem., \$2,242,257; capital, \$300,000; surplus, \$894,855, incr., \$174,372.

Workmen's comp.	2,890,864	1,607,748
Liability (not auto)	1,388,418	602,093
Auto liability	419,844	359,970
Auto PDL	252,113	207,555
Auto phys. dam.	244,600	143,285
PDL (not auto)	403,036	48,985
Glass	119,384	52,757
Burglary & theft	4,077	3,480
Boiler & machinery	347	1,313
Total	5,712,683	3,026,186

Horace Mann Mutual Casualty—Assets, \$3,682,100, incr., \$514,860; loss res., \$841,753; unearned prem., \$993,230; guaranty capital, \$372,450; surplus, \$1,622,474, incr., \$341,217.

Accident	105,437	93,885
A&S	137,067	83,123



A Point of Interest...

If you are an insurance agent in Utah or adjacent counties in Idaho or Nevada, you'll find complete American Casualty facilities available at our new Salt Lake City Branch Office. Completely staffed and fully equipped, the office, at 68 East Twenty-first Street, South, can be your headquarters for prompt, efficient and courteous service on all major forms of insurance except life.

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This program, designed to give accident-free motorists a well-deserved reward, has been enormously popular in every area in which it has been introduced. This plan will make an immediate hit with your clients and will attract to your office the high calibre risk that remains on your books year after year.

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**American Casualty
COMPANY**
READING, PENNSYLVANIA

**BURSTING
WITH PRIDE!**

re: Company-Agency Relations

**NATIONAL UNION
INSURANCE COMPANIES**
PITTSBURGH • PENNSYLVANIA

Premiums Earned	Losses Incurred	Premiums Earned	Losses Incurred	Middlesex Mutual Fire—Assets, \$10,626,737, inc., \$667,609; loss res., \$166,605; unearned prem., \$4,074,075; surplus, \$6,150,747, inc., \$835,859.	Premiums Earned	Losses Incurred	earned prem., \$1,938,327; spec. cont. surplus, \$550,000; surplus, \$2,250,463, inc., \$447,108.
Group A&S 2,065,309	1,490,126	Earthquake 22,949	5,331		Group A&S 313,264	158,704	
Liability (not auto) 12,637	277	Inland marine 56,678	43,119		Workmen's comp. 3,809,444	1,803,566	
Auto liability 291,570	139,891	Homeowners 51,388	10,866		Liability (not auto) 580,560	296,687	
Auto PDL 192,008	126,418	Liability (not auto) 51,070	21,468		Auto liability 1,608,263	1,037,506	
Auto phys. dam. 488,376	165,882	Auto PDL 89,490	56,026		Auto PDL 634,042	279,690	
Comp., fire & theft 147,094	102,951	Auto phys. dam. 42,656	24,008		Auto phys. dam. 168,601	80,259	
Auto medical 78,217	40,529	PDL (not auto) 487,118	240,407		PDL (not auto) 182,605	65,013	
Road service 15,797	3,766	Glass 1,627	NIL		Glass 9,094	3,433	
Total 3,531,512	2,246,848	Burglary & theft 15,439	1,437		Total 7,305,873	3,724,679	
Jersey of New York—Assets, \$13,637,824, inc., \$934,416; loss res., \$738,870; unearned prem., \$5,654,035; capital, \$1,500,000; surplus, \$6,776,589, inc., \$714,510.		Comp. dwell. end. 2,680	2,870				
Fire 2,048,850	854,201	Excess of loss 191,162					
Extended coverage 798,647	411,279	Total 3,832,934	1,562,295				
Other allied lines 15,856	43,932						
Earthquake 7,939	13,755						
Ocean marine 31,184	13,755						
Inland marine 276,932	122,670						
Liability (not auto) 2,283	494						
Auto liability 13,410	5,497						
Auto PDL 6,514	3,353						
Auto phys. dam. 2,161,331	1,083,599						
Aircraft PHD 37,653	24,934						
PDL (not auto) 778	442						
Surety 802							
Glass 816	285						
Burglary & theft 1,542	615						
Multiple line NOC 75,971	20,592						
Total 5,480,519	2,585,656						
Liberty Mutual Fire—Assets, \$49,346,342, inc., \$2,648,544; loss res., \$8,839,709; unearned prem., \$22,949,895; guaranty fund \$500,000; surplus, \$15,396,366, inc., \$967,757.							
Fire 10,032,378	3,334,043						
Extended coverage 3,352,842	1,824,713						
Other allied lines 65,109	47,018						
Multiple peril policies 739,591	268,690						
Earthquake 79,399	140						
Ocean marine 256,958	158,304						
Inland marine 3,240,006	986,027						
Liability (not auto) 25,188	697						
Auto liability 3,371,148	2,414,430						
Auto PDL 1,628,498	882,690						
Auto phys. dam. 1,258,272	587,330						
Aircraft PHD 80,096	31,428						
PDL (not auto) 6,444	3,502						
Glass 6,100	4,990						
Burglary & theft 9,284	8,319						
Excess of loss rein. 560,526	162,024						
Total 23,590,787	10,714,065						
Lincoln Casualty of Springfield, Ill.—Assets, \$2,585,793, inc., \$739,685; loss res., \$1,620,563; unearned prem., \$390,493; capital, \$300,000; surplus, \$480,760, inc., \$28,534.							
Workmen's comp. 23,110	7,310						
Liability (not auto) 492,998	926,959						
Auto liability 870,812	515,219						
Auto PDL 359,323	145,223						
Auto phys. dam. 3,322	2,082						
PDL (not auto) 337,320	163,445						
Surety 22,006	430						
Glass 147,956	74,431						
Total 2,256,839	1,507,352						
Lumber Mutual Fire—Assets, \$9,792,418, inc., \$268,139; loss res., \$473,318; unearned prem., \$3,804,631; surplus, \$5,235,946 inc., \$201,453.							
Fire 2,616,846	992,933						
Extended coverage 572,580	158,949						

CITIZENS CASUALTY COMPANY OF NEW YORK

(A Stock Company)

FINANCIAL STATEMENT, DECEMBER 31, 1955

ASSETS	
Cash in Banks and Offices.....	\$1,713,497.08
U. S. Government Bonds.....	1,329,995.77
State, County and Municipal Bonds.....	3,825,058.03
Other Bonds and Stocks.....	1,667,050.00
First Mortgage Loans.....	2,040.00
Real Estate.....	3,200.02
Accrued Interest.....	33,577.72
Premiums in Course of Collection.....	672,179.26
Other Assets.....	298,297.80

Total Admitted Assets.....\$9,544,895.68

LIABILITIES	
Reserve for Losses and Loss Expense.....	\$2,788,801.00
Reserve for Taxes.....	173,500.00
Reserve for Unearned Premiums..	1,101,802.18
Funds Held Under Reinsurance Treaties.....	2,254,597.90
Other Liabilities.....	1,129,247.65
Capital.....	\$1,000,000.00
Surplus.....	1,096,946.95
Surplus to Policyholders.....	2,096,946.95

Total.....\$9,544,895.68

Securities Carried at \$1,453,859.78 in the Above Statement are Deposited as Required by Law.

Bonds and Stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners.

Home Office

33 Maiden Lane, New York 38, New York

Progressive Fire—Assets, \$1,623,148, incr., \$45,763; loss res., \$66,881; unearned prem., \$466,732; capital, \$500,000; surplus, \$1,027,702, incr., \$49,462.		
	Premiums Earned	Losses Incurred
Fire	415,630	345,540
Extended coverage	108,607	32,248
Other allied lines	4,732	851
Inland marine	5,722	4,442
Accident	17	—
Liability (not auto)	1,222	—
Auto liability	41,504	23,250
Auto PDL	27,459	14,762
Auto phys. dam.	196,250	97,782
PDL (not auto)	130	48
Glass	541	74
Burglary & theft	1,196	443
Industrial	273,907	88,347
Pool	34,603	13,910
Homeowners	973	282
Total	1,112,500	621,984

Protection Mutual, Chicago—Assets, \$20,397,048, incr., \$1,566,785; loss res., \$890,992; unearned prem., \$9,324,933; surplus, \$9,829,020, incr., \$814,755.		
	Premiums Earned	Losses Incurred
Fire	5,358,455	1,815,439

Republic, Dallas—Assets, \$36,990,252, incr., \$3,669,071; loss res., \$579,885; unearned prem., \$18,921,982; capital, \$4,200,000; surplus, \$15,865,567, incr., \$2,265,243.		
	Premiums Earned	Losses Incurred
Fire	6,777,461	1,928,961
Extended coverage	4,626,752	1,613,096
Other allied lines	5,736	1,810
Earthquake	3,287	—
Inland marine	201,397	77,501
Liability (not auto)	—	—
Aircraft PHD	12	—
Surety	6,164	—
Glass	6,711	2,495
Burglary & theft	2,559	55
Homeowners	21,186	4,166
Total	11,651,235	3,628,084

Scottish Union & National—Assets, \$12,393,578, incr., \$143,024; loss res., \$1,295,544; unearned prem., \$6,334,448; surplus, \$4,249,099, incr., \$103,968.		
	Premiums Earned	Losses Incurred
Fire	3,478,194	1,858,385
Extended coverage	1,091,281	648,716
Other allied lines	31,112	14,782
Earthquake	25,137	210
Crop-hail	44,042	21,927
Ocean marine	2,581	1,867
Inland marine	181,028	112,496
Liability (not auto)	415	17
Auto phys. dam.	1,049,899	577,930
Glass	2,645	740
Burglary & theft	863	236
Homeowners	54,219	24,066
Mercantile block	17,905	4,803
Total	5,979,327	3,268,182

Southern General, Atlanta—Assets, \$2,191,011, incr., \$570,691; loss res., \$347,711; unearned prem., \$747,588; capital, \$600,000; surplus, \$1,011,880, incr., \$4,573.		
	Premiums Earned	Losses Incurred
Fire	115,938	74,393
Extended coverage	42,440	35,578
Other allied lines	6,333	38,899
Earthquake	371	7
Crop-hail	1,731	1,277
Ocean marine	2,190	1,995
Inland marine	28,902	24,623
Accident	2,804	183
A&S	8	—
Liability (not auto)	69,286	29,963
Auto liability	250,132	135,712
Auto PDL	190,978	101,684
Auto phys. dam.	417,158	239,648
Aircraft PHD	84	—
PDL (not auto)	12,459	5,097
Fidelity	97	—
Glass	10,840	2,837
Burglary & theft	9,892	3,896
Industrial fire	815,429	296,941
Miscellaneous	4,563	15,986
Homeowners	969	337
Total	1,952,610	951,206

Standard Accident—Assets, \$105,354,399, incr., \$4,505,194; loss res., \$34,599,415; unearned prem., \$27,448,320; capital, \$4,926,260; surplus, \$33,018,573, incr., \$2,802,925.		
	Premiums Earned	Losses Incurred
Fire	1,525,582	736,925
Extended coverage	668,035	424,248
Other allied lines	4,102	234
Multiple line NOC	14,179	7,200
Earthquake	2,511	—
Ocean marine	3,384	1,907
Inland marine	404,485	202,635
Accident	996,053	437,641
A&S	71,332	22,959
Hosp. & med.	10,733	4,306
Group A&S	1,508,180	1,169,156
Non-can. A&S	99	—
Workmen's comp.	7,772,572	5,156,822
Liability (not auto)	4,235,584	1,562,249
Auto liability	20,390,405	9,985,047
Auto PDL	5,141,849	2,335,990
Auto phys. dam.	2,483,741	1,114,058
PDL (not auto)	1,063,849	415,520
Fidelity	920,049	280,235
Surety	3,458,164	338,498
Glass	359,515	150,144
Burglary & theft	872,516	274,808
Total	51,906,930	24,627,511

Standard, Tulsa—Assets, \$5,194,961, incr., \$841,864; loss res., \$1,629,465; unearned prem., \$1,422,311; capital, \$500,000; surplus, \$1,804,202, incr., \$508,821.		
	Premiums Earned	Losses Incurred
Fire	47,159	14,817
Extended coverage	44,477	20,080
Other allied lines	158	33
Earthquake	189	—
Ocean marine	2,121	3,154
Inland marine	21,685	10,402
Multiple lines	216	10
Workmen's comp.	1,771,600	1,206,136
Liability (not auto)	247,908	33,624
Auto liability	762,993	415,690
Auto PDL	423,552	241,877
Auto phys. dam.	713,348	419,412

	Premiums Earned	Losses Incurred
Aircraft PHD	411	—
PDL (not auto)	143,803	31,587
Fidelity	229	—
Surety	12,602	—
Glass	10,426	3,038
Burglary & theft	16,535	6,995
Total	4,219,422	2,406,860

Suburban Casualty, Illinois—Assets, \$2,353,010, incr., \$173,235; loss res., \$508,522; unearned prem., \$752,602; capital, \$200,000; surplus, \$934,069, incr., \$142,587.		
	Premiums Earned	Losses Incurred
Liability (not auto)	7,176	1,517
Auto liability	507,938	254,846
Auto PDL	336,372	180,558
Auto phys. dam.	585,104	227,955
PDL (not auto)	2,708	118
Glass	7,303	3,398
Auto medical	83,326	48,141
Other medical	972	1,117
Total	1,530,899	717,650

Traders & Mechanics—Assets, \$2,510,974, decr., \$24,923; loss res., \$112,574; unearned prem., \$1,593,382; surplus, \$675,259, decr., \$14,825.		
	Premiums Earned	Losses Incurred
Fire	788,670	332,611
Extended coverage	206,973	48,587
Other allied lines	5,064	1,816
Homeowners	671	—
Earthquake	198	—
Inland marine	5,125	3,855
Auto phys. dam.	543,794	248,665
Aircraft PHD	6	—
Total	1,548,504	635,534

Union Mutual, R.I.—Assets, \$2,882,914, incr., \$89,943; loss res., \$113,361; unearned prem., \$1,578,404; guaranty fund, \$500,000; surplus, \$1,032,880, incr., \$5,408.		
	Premiums Earned	Losses Incurred
Fire	696,123	291,685
Extended coverage	420,838	101,203
Other allied lines	4,349	314
Homeowners	3,573	834
Earthquake	4,629	—
Inland marine	60,674	9,016
Comp. dwg. end.	1,915	741
Burglary & theft	159	27
Multiple line NOC	2,927	1,101
CPL	123	—
Total	1,195,472	404,925

United Pacific—Assets, \$23,059,995, incr., \$1,289,986; loss res., \$5,277,255; unearned prem., \$7,845,682; capital, \$1,100,000; surplus, \$7,168,000, incr., \$918,000.		
	Premiums Earned	Losses Incurred
Fire	145,032	62,653
Extended coverage	20,433	9,408
Other allied lines	10,985	5,085
Earthquake	881	10
Ocean marine	1,537	1,690
Inland marine	70,984	48,524
Group A&S	2,287,315	1,745,360
Workmen's comp.	278,907	209,228
Liability (not auto)	1,914,348	734,825
Auto liability	3,507,515	1,960,254
Auto PDL	2,297,389	964,324
Auto phys. dam.	2,775,894	1,298,698
PDL (not auto)	914,333	304,706
Fidelity	299,587	98,876
Surety	2,542,510	1,315,037
Glass	96,754	42,068
Burglary & theft	273,316	102,732
Total	17,437,720	8,903,478

Vanguard, Dallas—Assets, \$3,714,493, incr., \$341,279; loss res., \$380,128; unearned prem., \$957,574; capital, \$1,000,000; surplus, \$2,175,611, incr., \$94,701.		
	Premiums Earned	Losses Incurred
Liability (not auto)	41,179	6,883
Auto liability	411,070	212,122
Auto PDL	331,599	149,375
Auto phys. dam.	726,494	321,446
PDL (not auto)	1,126	1,892
Surety	39	—
Burglary & theft	3,856	1,309
Medical payments	67,371	42,065
Weekly indemnity & death benefits	909	—
Homeowners	4,247	—
Total	1,587,890	735,092

Western Casualty—Assets, \$37,680,011, incr., \$4,503,586; loss res., \$9,121,359; unearned prem., \$11,976,575; capital, \$2,250,000; surplus, \$12,173,505, incr., \$1,628,962.		
	Premiums Earned	Losses Incurred
A&S	582,559	94,384
Hosp. & med.	124,177	59,064
Workmen's comp.	2,968,554	1,726,850
Liability (not auto)	2,616,529	843,011
Auto liability	7,052,264	3,800,504
Auto PDL	4,531,816	2,096,974
Auto phys. dam.	—	5,673
PDL (not auto)	652,654	161,251
Fidelity	133,366	41,008
Surety	761,268	256,260
Glass	298,861	111,192
Burglary & theft	359,128	147,227
Auto disability	2,685	850
Total	20,078,047	9,332,902

Western Fire—Assets, \$17,554,765, incr., \$2,538,597; loss res., \$1,066,881; unearned prem., \$8,555,121; capital, \$1,000,000; surplus, \$6,684,098, incr., \$1,111,844.		
	Premiums Earned	Losses Incurred
Fire	1,455,587	678,634
Extended coverage	667,709	351,546
Other allied lines	17,987	15,456
Earthquake	795	—
Inland marine	194,682	90,303
Liability (not auto)	324	155
Auto liability	124,546	60,792
Auto PDL	66,443	36,663
Auto phys. dam.	7,801,784	3,552,099
Aircraft PHD	102	165
Surety	1,084	30
Glass	1,466	185
Burglary & theft	4,435	3,296
Credit	19,976	—
Homeowners	5,367	1,932
Auto disability	6	2
Total	10,362,297	4,791,201



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★ NATIONAL REINSURANCE CORPORATION

★
FINANCIAL STATEMENT, DECEMBER 31, 1955

ASSETS

Cash on Hand and in Banks.....	\$ 294,294
U. S. Government Bonds.....	1,965,181
Municipal and Other Bonds.....	777,123
Preferred Stocks.....	734,800
Common Stocks.....	10,619,840
Net Reinsurance Balances Receivable.....	186,756
Other Admitted Assets.....	57,911
Total Admitted Assets.....	\$14,635,905

LIABILITIES

Reserve for Unearned Premiums.....	\$ 2,068,313
Reserve for Losses and Adjustment Expenses..	567,306
Reserve for Non-admitted Reinsurance.....	58,317
Reserve for All Other Liabilities.....	219,566
Voluntary Reserve.....	6,489,313
Capital.....	1,200,000
Surplus.....	4,033,090
Total.....	\$14,635,905

POLICYHOLDERS' SURPLUS . . . \$11,722,403

NOTE: Bonds are valued on an amortized basis and stocks at prices prescribed by the National Association of Insurance Commissioners. Bonds carried at \$476,602. in the above statement are deposited as required by law.

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Western Millers Mutual, Kansas City—Assets, \$2,815,891, incr., \$32,189; loss res., \$223,614; unearned prem., \$1,444,024; guaranty \$94,500; surplus, \$1,006,508, incr., \$1,015.

	Premiums Earned	Losses Incurred
Fire	1,202,964	490,384
Extended coverage	223,307	128,881
Other allied lines	47,402	12,577
Earthquake	711	34
Inland marine	60,025	30,738
Liability (not auto)	4,214	5,073
Auto liability	129,635	49,208
Auto PDL	70,620	42,523
Auto phys. dam.	204,613	103,542
PDL (not auto)	193	441
Glass	2,348	2,986
Burglary & theft	4,405	69
Comp. dwg. end.	70	67
Householder L. theft	222	726
Homeowners	995	867,249
Total	1,951,724	867,249

Worcester Mutual Fire—Assets, \$9,983,135, incr., \$493,632; loss res., \$572,846; unearned prem., \$5,417,688; surplus, \$3,707,895, decr., \$114,699.

Fire	2,436,951	962,407
Extended coverage	742,975	241,151
Other allied lines	6,557	5,379
Homeowners	40,999	11,714
Earthquake	1,528	542
Inland marine	3,045	861,596
Auto phys. dam.	1,807,623	120
Glass	120	15
Burglary & theft	77	5,554
Amreco	—6,247	—4,700
Excess of loss reins.	175,334	2,083,660
Total	4,858,296	2,083,660

To Northwestern Mutual

John H. Wallace has been named assistant educational director of Northwestern Mutual Fire. He will work with Director Ainsworth Blogg in carrying out an expanded educational program.

Mr. Wallace began his insurance career in the insurance division of Washington department of labor and industry, then joined General of Seattle and later General Exchange as an auto underwriter. He joined the DeMille general agency of Seattle in 1938 and until his change had been manager of the casualty department. He is president of Seattle CPCU chapter.

Twin Cities Agents Elect

BENTON HARBOR, MICH.—Twin Cities Assn. of Insurance Agents (Benton Harbor and St. Joseph, Mich.) has elected John DeVries president to succeed Willard Carpp.

Other new officers are Alfred Mack, vice-president, and Robert Molhock, treasurer.

Lester Jones, manager at Grand Rapids for Buckeye Casualty, discussed automobile coverages at the meeting.

St. Louis CPCUs Elect

Elliott Reid of Insurers Service Corp. has been elected president of St. Louis CPCU chapter.

Other officers are L. Z. Morris Brown Jr. of Continental Casualty and Melvin E. Crawford of Marsh & McLennan, vice-presidents; Albert L. Weiss, attorney, secretary, and Albert H. Bell of Century, treasurer.

Comparative Negligence Bill

A bill has been introduced in the New York legislature which would articulate the doctrine of comparative negligence. Like similar bills introduced in previous sessions, this measure would amend the civil practice act to provide that in actions to recover damages for injury to person or property, the contributory negligence of the plaintiff shall not bar a recovery, but the damages recoverable shall be reduced to such extent as the court deems just and equitable, considering the amount of negligence attributable to the plaintiff.

Appointment Bill Viewed Dimly

A bill that would authorize the governor to appoint the insurance commissioner has been given an unfavorable report by the house labor, commerce and industry committee of the South Carolina legislature. The commissioner is now appointed by the legislature.

Owens Named by Aetna Fire in Minn. Casualty Field

James J. Owens has been named by Aetna Fire group as casualty special agent at Minneapolis to succeed Peter R. Olfield, who has been promoted to superintendent of the casualty department at Detroit.

Mr. Owens has had experience in the Minnesota field as safety engineer and special agent.

American Fire Ups Dividend by 33 1/3%

American Fire & Casualty of Orlando, Fla., has declared an annual cash dividend of 80¢ per share, an increase of 33 1/3% over the 1954 dividend. First quarterly payment of 20¢ will be on March 15 to stockholders of record Feb. 29.

Bishop N. C. Special Agent for Berkshire

Berkshire Mutual Fire has appointed William C. Bishop special agent in North Carolina with headquarters in Charlotte. He was a former field man in the southeast for U.S. Epperson Underwriting Co. of Kansas City.

Faherty to American Auto

Edward J. Faherty has been appointed fire field underwriter for American Automobile at Pittsburgh. He will serve as an assistant to H. T. Hecht, fire and marine manager. Mr. Faherty began his insurance career with Fireman's Fund at Boston in 1950, and later served in western Pennsylvania as special agent.

\$300,000 Loss at Louisville

LOUISVILLE—Second Presbyterian Church suffered a fire loss of \$300,000. It is reported to carry \$330,000 insurance, so the loss is fully insured, but the building was being abandoned in favor of a new structure in the suburbs. Most of the business was in First Kentucky Fire, and it is understood Travelers Fire had \$50,000 of coverage.

Matthiessen Meritplan V-P

Earl Matthiessen has been elected a vice-president and director of Meritplan of Los Angeles. Mr. Matthiessen started in insurance with California Compensation and later was with Industrial Indemnity, becoming vice-president. He has been with Meritplan since it was organized and developed the northern California agency plant.

McDaniel Gets New Post

E. E. McDaniel has been appointed sales training director of American Farmers Mutual of the Kemper group. He has been with the company since 1947, starting as a local agent and later serving as district manager. He most recently has been zone supervisor in Missouri.

Standard Accident Names Two

Standard Accident and Planet have named Jerome J. Kwilosz manager of the claim department at Dallas, and Frank V. Coffee Florida claim manager with headquarters at Jacksonville. Mr. Kwilosz joined the companies at St. Louis in 1951. He was transferred to Dallas in 1954 as senior claim representative and the following year was made acting claim manager. Mr. Coffee joined Standard in 1926 in Jacksonville and has been claim representative in charge of the Jacksonville office.

Tenn. Insurers to Meet Oct. 21

Insurers of Tennessee will hold its annual meeting at Noel hotel, Nashville, Oct. 21-23.

Fire

Excelsior Promotes Three at Head Office

Excelsior has promoted Donald P. Littlefield from assistant vice-president to vice-president and has named Lynn J. Bickelhaupt vice-president and J. Hall Pizor assistant secretary.

Mr. Littlefield operated an agency at Maynard, Mass., from 1932 to 1943 when he joined Excelsior as special agent in Ohio and western Pennsylvania, later becoming state agent in Ohio and eastern Michigan. He went to the home office in 1948 as superintendent of agencies, in 1951 becoming assistant secretary and in 1954 assistant vice-president in charge of underwriting.

Mr. Bickelhaupt has been an agent for Excelsior since 1927 and was elected a director in 1945. He is presently a regional vice-president and director of New York State Assn. of Insurance Agents.

Mr. Pizor operated an agency at Corry, Pa., and joined Excelsior in 1950 as special agent in Pennsylvania, southern New Jersey and Maryland. In 1955 he went to the home office as supervising underwriter.

Standard Accident Names Erwin at Philadelphia

Standard Accident and Planet have appointed Donald C. Erwin as manager of the Philadelphia branch office effective April 1.

Mr. Erwin, who has been manager of the New Jersey office for 10 years, joined Standard Accident in 1938 as field representative at the New Jersey office. In 1945 he was appointed assistant manager in charge of all casualty underwriting and production, and in 1946 he was promoted to manager in New Jersey.

S. J. Carr, resident vice-president at Philadelphia, is taking an extended leave of absence because of recent surgery.

Reports on TIS at La. Agents Meeting

A report about the progress of Trained Insurance Specialists was given at the February meeting of Capital Stock Fire Insurance Assn. of Louisiana by James C. Kraus, New Orleans local agent, who originated TIS and who is chairman of the TIS management committee.

TIS is now in its sixth year of local level public relations and advertising and has 10 chapters in five states, he said. He pointed out how members of TIS are identified by lapel pins and by the blue and white TIS plaques they have in their offices. In addition to newspaper advertising on a continuing basis, the group also acts in other matters of PR and holds periodic meetings to handle problems incident to the insurance business.

Blue Ridge Declares First Stock Dividend

Blue Ridge of Shelby, N.C., has declared a 20% stock dividend, the first in the company's 12-year history. It is payable March 9 to stockholders of record Feb. 22. Outstanding shares total 50,000. Premiums were \$3,158,368 in 1955 compared with \$2,435,987.

Mayflower Has Gains

Mayflower of Columbus in 1955 had an increase in premiums of 35%, the total being \$3,647,000. The company concluded the year with assets of \$3,885,658, a gain of \$757,652, and unearned premiums of \$2,186,917, an increase of \$490,000.

The large increase in business, re-

sulting in increased unearned premiums, produced a statutory net loss of \$104,000 which is more than offset by the equity of \$171,000 in the increase in unearned premium reserves.

Surplus to policyholders now totals \$1,308,499. The company had a combined loss and expense ratio in 1955 of 99.66.

St. Louis Board Sponsors Educational Courses

Insurance Board of St. Louis will sponsor a 10-week course beginning March 19 on Missouri insurance laws and department directives and the operation of the inspection and audit bureaus.

Seldon Brown, insurance division head of Associated Industries of Missouri, will supervise the course. Instructors include: William Anderson of Missouri Inspection Bureau, Less Cass of the state finance department, and John Goodin of the legal staff of the state insurance department.

The board will also sponsor a nine-week elementary course on general insurance at the downtown YMCA.

B. G. Gregory, executive secretary of the board, will coordinate the program. Instructors include Michael Behrens of Aetna, W. A. Kuennen of Fidelity & Deposit, Seldon Brown of Associated Industries of Missouri, Frank Myers of Ploeser-Watts & Co., Robert Watkins of Fireman's Fund, Harold Schmitz of American Automobile, John J. Henschke of Insurance Agency Co., O. W. Schowalter of New York Underwriters, Thomas Kingsley Jr. of Travelers and Stanley L. Bodman of Marine Office of America.

Wash. Rules on Marine Cover for Timber Risks

Commissioner Sullivan of Washington has issued an interpretation of the writing of marine and transportation coverages on felled and bucked timber and cold decked logs.

Felled and bucked timber and cold decked logs in the woods are considered in storage, which storage is incidental to transportation and therefore eligible to be insured under a marine contract, the department said, and felled and bucked timber and cold decked logs on the millsite of a sawmill or any other location not in the woods are considered as raw material awaiting processing and are not eligible to be insured under a marine contract.

All contracts not in compliance with the interpretation must be corrected by Feb. 29.

Merchants Fire Adds Three New Executives

Merchants Fire of New York has elected Carl P. Winter secretary and John F. Bliss and Robert E. Williams assistant secretaries.

Mr. Winter, who has been with the company for 30 years, will continue as auditor.

Mr. Bliss joined the company in 1933 and is agency supervisor of the casualty and automobile departments. He will supervise these operations in the southern and eastern territories.

Mr. Williams joined the company in 1934. He will be in charge of the statistical and research departments.

Brittan Elected V-P

P. K. Brittan has been elected a vice-president of Hardware Mutuals of Stevens Point. He will direct the company's field operations in the western half of the country.

Mr. Brittan joined the company in 1937 as an underwriter in Chicago, was later transferred to Atlanta and became southern district manager there in 1949. Since 1952, he has held various positions in the field operations division and the home office.

McCluskey Named AFIA Manager at Los Angeles

Elmer J. McCluskey has been named manager of the Los Angeles office of American Foreign Insurance Association.

He was formerly acting manager there and had been with AFIA in San Francisco.

Mr. McCluskey is responsible for production and underwriting of risks submitted by producers in southern California, Arizona and the Las Vegas area.

Catastrophe Covers to Feature Buyer Parley

American Management Assn. will hold its spring insurance conference at Hotel Roosevelt, New York May 9-11. The topic will be the catastrophic

approach to comprehensive health insurance, fire cover and atomic risks. A panel will discuss the three major responsibilities of corporate insurance management—risk analysis, risk abatement and risk insurance.

Looney Insurance Buyer of United Gas

C. G. Looney has been named insurance manager of United Gas Corp. and its subsidiary companies of Shreveport, La. He has been casualty insurance supervisor of the corporation.

Madison Agents Elect

New officers elected by Madison Insurance Board are: Charles W. Ellis, president, Henry H. Bush Jr., vice-president, H. L. Klipstein, secretary, and J. W. S. Gallagher, treasurer. V. L. Sheehan is business manager.

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(CONTINUED FROM PAGE 1)

status as the latter is not so visionary as it would be under different circumstances.

Moreover, this method of effecting equality would not cost the state much more than letting the discrimination

stand. For if the discrimination continues, most of the funds would go self-insured and the state would lose the premium-tax revenues anyway.

The bill introduced in the legislature is about one-sixth as long as the draft that Martin House, special counsel to the New York department, prepared after extensive hearings to determine what abuses needed correct-

ing. Much that was spelled out in the House measure would be left to the insurance superintendent to prescribe in regulations which the bill would empower him to promulgate and enforce.

The new bill would amend both the insurance and the banking laws, since some funds are held or administered, in whole or in part, by banks or trust companies as corporate trustees or agents. These funds would be made subject to the supervision of the banking department.

The insurance law would be amended by inserting a new article, IX-E, titled employee benefit plans. It would apply to employees working for employers in the state and to any employer located outside the state having at least 20 employees within the state of New York.

The chapter would exclude from the insurance law a trust or fund held or administered by a bank or trust company as corporate trustee or agent, which is subject to examination and supervision by the banking department of New York or any other state or by the comptroller of the currency.

Funds subject to article IX-E would be required, from Jan. 1, 1957, onward, to be registered with the insurance department, supplying information as required by the superintendent. They would have to file annual reports with the department. The superintendent would be empowered to require that a fund supply a copy, summary, or excerpts from the representative when requested to do so.

The superintendent would be empowered to examine employee benefit plans as often as he deems expedient but would be required to do so at least once in every five years.

The insurer on a welfare fund would be required to furnish the administrator within four months after the end of each policy year a statement of account with respect to the policy, "setting forth such information as the superintendent shall require in such form and detail as he shall prescribe."

The law is specific about kick-backs of commissions, a form of abuse uncovered in the investigations. Section 291 states:

"No commission, fee, compensation, allowance or expense, or any part thereof, derived from the solicitation, sale, service or administration of a covering policy of an employee benefit plan, as defined in this article and article XII-B of the banking law, shall be paid, directly or indirectly, to, or be received by, any employer, union, plan, or any trustee, officer, employee or agent thereof or any other person in any manner associated with any of the foregoing."

Though a fiduciary obligation has always been implicit in employee benefit plans, it was ignored in a number of funds. Section 292 spells it out: "The administrator of every employee benefit plan, and, where the administrator consists of more than one person, each such person, shall be responsible in a fiduciary capacity for all money or property received, managed or disbursed by him on behalf of such plan."

Section 293 provides that unless the insurance superintendent first approves, no investment may be made on behalf of the fund "(1) in the stock, obligations or other property of the employer, its subsidiaries or affiliates, if the amount of such investment, when added to the book value of other investments in such stock, obligations

or property, will exceed 10% of the book value of the fund; or (2) in voting stock of an employer corporation or of a subsidiary or affiliated corporation, if, as a result, the fund will hold more than 5% of the voting power of such corporation."

The insurance superintendent would be authorized to make and publish such analyses of the reports filed with him as will, in his judgment, contribute to a better public understanding of employee benefit plans. He would also be given the right to exempt and revoke the exemption of any or all provisions of article IX-E "whenever it shall appear to his satisfaction that such exemption or waiver is in the public interest and will not materially adversely affect the interests of the covered employees employed in this state."

What the framers of the bill regard as a highly important safeguard against abuses is the provision for an advisory council. This would consist of 16 members, of whom 13 are to be appointed by the governor and three are to be members ex-officio. gubernatorial appointees would be three representing the employees, three representing the general public, two the employers, two the insurance industry, and two the banking industry. One of the 13 would be chairman. The ex-officio members would be the insurance superintendent, the banking superintendent, and the industrial commissioner.

Each appointive member would serve for three years from Sept. 1 of the year in which he is appointed, and until his successor is appointed and has qualified, except that of the members first appointed, four would be appointed for terms to expire Aug. 31, 1957, and four for terms to expire Aug. 31, 1958. Appointive members are subject to removal by the governor "whenever in his judgment the public interest may require."

Appointed members of the council would receive \$50 a day or part thereof for attending meetings or doing other council work, plus expenses not to exceed \$2,000 a year each.

The council's duties would be "to consider and make recommendations upon any matter relating to the administration of this article or of article XI-B of the banking law which the superintendent of insurance or the superintendent of banks may submit to it for recommendation and upon any other matter relating to the administration of this article which it may deem advisable."

Expenses of departmental examinations of welfare funds would be paid for by each such fund but the superintendent, upon recommendation of the advisory council, and with the approval of the comptroller, may "for good cause" remit the charge.

The bill would further amend the insurance law to provide that the insurance department, in computing expenses to be assessed against insurers for departmental operation, shall exclude the expenses of the department allocated to the administration of article IX-E.

The bill also appropriates up to \$100,000 to the insurance department to administer article IX-E for the fiscal year ending March 31, 1957.

Any person who willfully violates "or causes or induces the violation" of any provision of article IX-E would be guilty of a misdemeanor.

Amendments to the banking law substantially parallel the insurance law amendments.

The Reinsurance Corporation of New York

FINANCIAL STATEMENT, DECEMBER 31, 1955

ASSETS

Cash on Hand and in Banks.....	\$ 943,511
U. S. Government Bonds.....	11,079,930
Municipal and Other Bonds.....	2,489,365
Preferred Stocks.....	760,500
Common Stocks.....	15,332,313
Net Reinsurance Balances Receivable.....	592,727
Other Admitted Assets.....	297,866
Total Admitted Assets.....	<u>\$31,496,212</u>

LIABILITIES

Reserve for Unearned Premiums.....	\$ 8,273,252
Reserve for Losses and Adjustment Expenses..	2,115,509
Reserve for Non-admitted Reinsurance.....	1,534,113
Reserve for All Other Liabilities.....	2,987,247
Voluntary Reserve.....	10,461,444
Capital.....	1,530,000
Surplus.....	4,594,647
Total.....	<u>\$31,496,212</u>

POLICYHOLDERS' SURPLUS . . . \$16,586,091

NOTE: Bonds are valued on an amortized basis and stocks at prices prescribed by the National Association of Insurance Commissioners. Bonds carried at \$480,593 in the above statement are deposited as required by law.

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Midwest Fights to Keep Indiana from Naming Receiver

INDIANAPOLIS—Midwest started two delaying actions last week in its battle with the Indiana department. Commissioner Davey of Indiana is seeking to control the operations of Midwest, a charter company which does not report to the department and which is beyond department control.

Midwest has filed for a change of venue from Marion county (Indianapolis) in its suit seeking to enjoin the department and the state motor vehicle bureau from refusing to recognize Midwest's auto policies. This suit stems from Mr. Davey's successful attempt to have the motor vehicle bureau refuse to accept Midwest policies under the safety responsibility law.

The latest action by Midwest will delay any ultimate court ruling, and have the effects of taking the suit off the Marion county file calendar. However, the motor vehicle bureau is continuing to abide by Mr. Davey's order, and Midwest policies are not being recognized. The action has the outward appearance of favoring the department rather than Midwest.

In another action, Midwest successfully filed for a postponement of the attorney-general's suit asking that a receiver for Midwest be named. This suit also was removed from the trial calendar in Vandenberg county, where the receiver suit will be held later.

Texas Insurance News Cools Off Temporarily

With both the senate and house insurance investigating committees indefinitely recessed, the Texas insurance situation has been reduced mostly to comment and speculation, with a good deal of interest centering on the solvency check the domestic companies now are undergoing. The Texas department will release the names of licensed companies in groups of 50, beginning the first week of March. All of the 1,400 companies are to under go an examination by May 31. The audits of company statements will be much the same as those of the past, except that they will be worked over by CPAs and the board of commissioners will decide after the examination whether to issue a license.

Former life commissioner and chairman of the board of commissioners Garland Smith was in the news last week when he left the hospital and took a vacation to New Orleans just at the time he was to have been subpoenaed to appear before a Waco grand jury. For two or three days Mr. Smith's whereabouts were unknown, but he returned to Austin in the middle of the week and said he was ready to appear. Waco grand jury testimony is being obtained by Tom Moore, McLennan county district attorney, who is a possible candidate for state attorney-general. Mr. Moore is an anti-Shivers politician.

\$6½ Million Bond by Md. Casualty
One of the largest public official bonds ever written in the U.S., in the amount of \$6,527,908, has been written by Maryland Casualty.

The short term tax bond was required by law on the treasurer of Warren township, Mich. It runs in favor of Macomb county and covers the collection of taxes.

The bond was written through Wallace Gerlach of the Macomb agency at Mt. Clemens, Mich., and was handled by the Detroit office of Maryland Casualty.

Forkel Honored on Eve of Departure for Hartford Post

National of Hartford group's western department staff was host Monday to a reception at the Union League Club, Chicago, in honor of E. H. Forkel, former western department manager, who has been elected president of National Fire. Congratulations also were in order for C. L. Zook, the new general manager in the west, and L. N. Bowen and W. F. Martin, the new associate managers.

The turnout in honor of Mr. Forkel was indicative of the good wishes he takes with him to Hartford. Executives of bureau fire companies, casualty company representatives, National agents in Chicago and environs, and association representatives were on hand in large number. Mr. Forkel has always been a popular figure in the fire insurance ranks in Chicago, and his promotion is regarded as well deserved.

Before taking up residence in Hartford, Mr. Forkel plans to take a month off for a vacation in Florida.

Marine Office Marks 25 Years in Chicago

Marine Office of America celebrated the 25th anniversary of the opening of its western department with a dinner for President George Inselman and western department executives of member companies at Chicago this week.

R. D. Sullivan, resident vice-president who opened the Chicago office in February, 1931, presided at the dinner. He introduced other Marine Office members who are celebrating their 25th anniversary with the organization: Perry M. Fenton, assistant manager; Stanley Bodman, manager at St. Louis, and George Kalsch, supervisor of the Chicago accounting department.

In addition to staff members, branch managers and special agents, other guests included the member companies advisory committee: E. A. Henne, vice-president of America Fore; John McFarland, vice-president of American; L. A. Kenney, vice-president of Glens Falls; Paul H. Barr, vice-president of Hanover, and H. A. Clark, vice-president of Loyalty group.

Two Big Bonds at Cleveland

United Construction Co. of Pittsburgh has been awarded two contracts totaling \$2,231,992 for special air force facilities at Cleveland. New Amsterdam Casualty, through Peerless Underwriters agency of Pittsburgh, is surety on the work.

No. Cal. Buyers See Fire Film

Motion pictures of the General Motors fire at Livonia were shown by Frank J. McClain, assistant manager of Factory Association, at the February meeting of Northern California chapter of American Society of Insurance Management.

The film revealed the dangers of inadequately protected large open areas and the heavy demolition and clean-up costs incurred after a fire. Mr. McClain also discussed the Association's plans for dividing of large open areas.

James A. Burkle has joined the Seeley & Co. general agency at Portland, Ore., as assistant to C. V. Patterson, manager. He had previously been with Royal-Liverpool at Omaha and with the Long-Cleveland-Hayhurst Co. general agency at Phoenix, Ariz.

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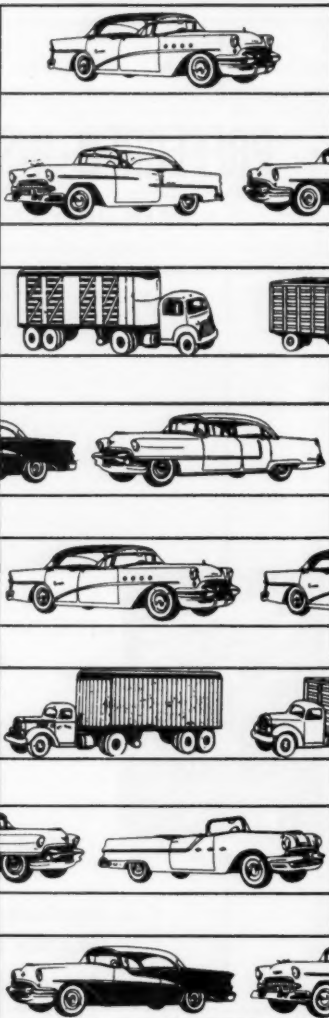
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Insurance Editors, Executives on NYC Bar Panel May 15

NEW YORK—A panel of insurance business paper editors will question insurance company executives and exchange ideas on current issues of the day at an evening meeting May 15 at Assn. of the Bar of the City of New York, 42 West 44th street, here. The panel is under the sponsorship of the committee on insurance law of the bar association, of which Wayne Van Orman, New York City insurance attorney, is chairman. Superintendent Holz will be the moderator. This will be the second panel type program sponsored by the committee. The one last year was attended by 500 lawyers and insurance men.

Several Insurance Bills Pass in Kentucky

LOUISVILLE—A countersigning agent in Kentucky, under a bill enacted by the Kentucky legislature, will be entitled to 50% of the Kentucky premium on business originated by an out of state agency.

Other measures enacted permit county hospitals to buy liability insurance to protect patients against negligence of the staff; provide that insurance agents and adjusters need not take the second examination if they are deemed qualified by the insurance commissioner; permit credit unions to sponsor group insurance for members up to \$1,000 each, and extend the life of the joint committee on insurance investigation for 20 days.

Booklet Details Bank Robbery Precautions

National Assn. of Bank Auditors & Comptrollers has published an illustrated booklet, *Your Bank and Armed Robbery*, dealing with the causes of bank robberies and how to deter them. It predicts one of every 40 banks will be robbed this year.

The publication, mailed to all member banks, gives reasons behind the 150% increase in bank robberies since the end of World War II and tells how to eliminate unnoticed invitations to bank robbers. The manual discusses procedures bank personnel should observe if a robbery occurs and describes various alarm systems.

Hartford TV Hearing

WASHINGTON—Federal communications commission set March 12 for oral argument of application of Travelers for a TV broadcasting station license in the Hartford area. Arguments will be heard by the full commission, from counsel for Travelers and Hartford Telecasting Co., which has been opposing the Travelers application.

Jaffe Gets Casualty

Ocean Accident has appointed Jaffe agency of New York City to write automobile BI and PDL, general liability BI and PDL, workmen's compensation, disability, boiler and machinery, burglary, bonds and plate glass. American Central, another member of Commercial Union-Ocean group, has appointed the agency to write fire, marine and automobile.

Mutual Service Has Best Year

Mutual Service Casualty's premium income for 1955 topped \$13,320,000 for the largest premium volume in its history.

Company assets now exceed \$23,500,000, a 17% increase over 1954. Life insurance in force increased by 18.6% for a total of \$101,275,000 and policy-owner surplus stands at \$4,899,000.

Industry Lax in Insurance Interest Credit Man Says

More and more complex and interdependent business organizations are being built daily, yet companies are not paying sufficient attention to adequate protection. This is the view expressed by Edwin B. Moran, vice-president of National Assn. of Credit Men and general manager of *Credit & Financial Management* magazine in an address before the southwest conference of Controllers Institute of America at Gulfport, Miss.

Only 4% of plants have up-to-date appraisals, and 20% have obsolete appraisals, he said. In fire insurance alone 56% of the businesses are underinsured. Amount of loss recoverage in event of partial plant destruction varies from 14% to 86%, with the average of 52%. Less than half the companies have extended coverage on their fire policies, he said.

Mr. Moran conceded that there is an increasing interest in the south and elsewhere in the general area of planned insurance coverage and in a more competent study of insurable hazards of a growing concern. Credit executives are becoming more insistent and searching in their inquiries into the insurance programs of customers and prospective accounts.

He blamed the low records of coverage on poor selling jobs by insurance men with too technical sales presentations.

In a survey made by the credit men's association of financial statements of companies and provisions made for insurance, Mr. Moran said, it was found that 65% of the companies carried fire insurance and 50% had auto liability, but only 30% had an adequate amount. In business interruption insurance, 39% of wholesaling and manufacturing and 12% of retail was covered. Profits insurance was shown by only 2½%. Fewer than a tenth carried betterments and improvement and rent coverages, and the percentage was under five on key-man, business life and copartnership insurance.

Mr. Moran urged that the executive in a business who is responsible for insurance protection have a working knowledge of the entire operations of the business. He must, he said, make a complete periodical survey of the company and its development in order to bring to light all hazards requiring consideration.

He said he suggested to one friend that he imagine himself as a burglar and then figure out every possible way he could break into his home or factory. Then, he suggested, he should fix things so he couldn't break into those buildings.

"In other words, study every possible hazard your growing company may be subjected to, then go to work and fix things so that you at least minimize that possibility. Doing so will get the lowest possible insurance rate. Then still take out insurance to protect against the hazard and hope you will never have to file a claim," he said.

Eller Named V-P of Mutual Service

Roman N. Eller has been named vice-president in charge of sales-underwriting for Mutual Service Casualty following a combination of the two divisions for more effective field operations and improved service.

Mr. Eller joined the company in 1941 and has held the positions of claim adjuster, claim manager and claim attorney. He was named personnel vice-president in 1952.

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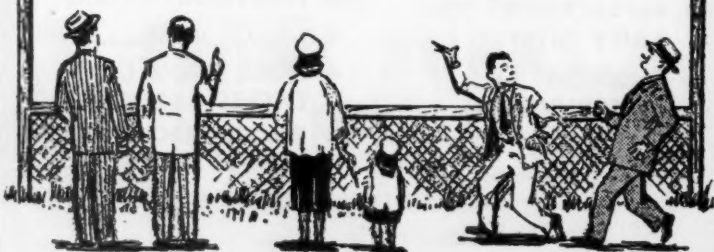
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Consultant Eyes Prospects of Insurer Stocks

(CONTINUED FROM PAGE 15)

timistic. Substantial market appreciation in most portfolios has pushed surpluses to all-time highs. In fact, for the first time since 1945 policyholders' surplus in the stock company field exceeds annual premium writings. The ratio of total assets to liabilities now actually approaches two to one. Today the common stock holdings of stock fire and casualty companies exceed \$6,300,000,000, which is more than twice the 1948 holdings, the increase being largely unrealized appreciation rather than additional stock purchases. Common stocks now amount to approximately 40% of the total assets of the industry.

The shares of stock fire and casualty companies rose on the average only 2% in market price in 1955, while the Dow-Jones average of industrials increased by 21%. As a result of the market appreciation in portfolios, many fire and casualty stocks sell currently at substantial discounts from liquidating values. Actually, many companies sell at book value or below, with nothing being paid for the equity in the unearned premium reserve. Historically, a good time to buy these stocks has been when such a large discount existed.

Under the present changing situation, however, it might be wise to inject a note of caution regarding this time-honored philosophy, Mr. Midden-dorf writes. Forgetting for a moment that the stock market is near an all-time high, thus making the surpluses of these companies possibly vulnerable to decline, it must be born in mind that many average or below-average fire and/or casualty companies may not be able to translate the equity in the unearned premium reserve into a profit in the competitive period ahead. In such cases, probably nothing should indeed be paid for that equity, which the market is now discounting, assuming that the companies in question will continue to desire to stay in business. Actually, the salvation for many companies may only be through the merger route, but it is extremely difficult for the investor to

pick those which will ever be consummated.

The best investment opportunities exist among the more aggressive multiple line companies today. They will continue to make excellent showings year after year and thus amply justify the confidence of investors through large compounding of earnings and steadily increasing dividends. In addition, the shares of a few specialty companies which are strong in the boiler and machinery and reinsurance fields also are considered to be attractive commitments.

Springfield F.&M. Makes West Coast Promotions

Springfield F.&M. group has named W. W. Roberts agency division superintendent and Paul B. Webster superintendent of the loss prevention and audit department of the Pacific department.

Mr. Roberts began his insurance career as a local agent in Lewiston, Ida., joined Springfield in 1948 as a special agent in Utah and in 1953 was transferred to the Montana field as superintendent of agencies.

Prior to joining Springfield, Mr. Webster was a safety and audit engineer with New Amsterdam Casualty and St. Paul-Mercury Indemnity and later safety and audit superintendent for North America.

Aetna Casualty Names Reynolds State Agent

James F. Reynolds, former special agent, has been named state agent in Rhode Island by Aetna Casualty and Standard Fire. He will have headquarters in Providence.

He joined Aetna Life group in 1925 and became special agent in northern New Jersey in 1943. He was appointed Rhode Island special agent shortly after World War II.

NAIA Has Statement on Flood Insurance

Kenneth Ross, president of National Assn. of Insurance Agents, has submitted a statement on flood indemnification to Sen. Lehman of the banking and currency committee. The association, while it regrets the apparent need for the government to consider entering this field, states that if Congress adopts a flood indemnification program, it will cooperate fully, as it did for the damage insurance program.

L. B. Van Tresse Promoted

L. B. Van Tresse has been appointed director of sales operations for Mutual Service companies of St. Paul. Mr. Van Tresse joined Mutual Service in 1951 after four years as agency superintendent for Aetna Life and 15 years with Prudential as agent and assistant manager. He has served as superintendent of agencies for Mutual Service in Minnesota until his present appointment.

Texas Local Boards Elect

Five Texas local boards have recently elected officers:

Corsicana—J. Tom Eady, president; Mrs. Frances M. Cushman, vice-president, and Gabe Goldberg, secretary.

El Paso—Sam B. Rodehaver, president; William D. Tippin, and C. B. Dycus, vice-presidents, and Stanley J. Gladowski, secretary.

Paris—Dorcey Mackey, president; Robert S. Norment, vice-president, and David Kennemer, secretary.

San Angelo—Frank Meadows, pres-

ident; L. B. Horton Jr., vice-president, and Bernard Trimble, secretary.

Waco—George A. Bone, president; Thomas Stribling, vice-president, and Paul M. Cunyus, secretary.

Ky. WC Benefits Up

LOUISVILLE—The Kentucky legislature has enacted a bill increasing workmen's compensation benefits. Weekly and maximum allowances have been increased from the old level of \$7 to \$26 a week and a total of \$9,500 to \$12 to \$30 weekly and a maximum of \$12,000.

Miss. Bill Will Hike

Tax on Insurers

The Mississippi House has passed a bill which would increase the premium tax on most domestic insurers, fire casualty and life, to about 1.5%. They have been paying little or nothing. The rate remains 3% on premiums of out of state fire and casualty insurers, and for out of state life insurers is increased from 2¼ to 3%.

Insurance Women of Houston honored Miss Jane Cyva of the Yanch agency as insurance woman of the year at their February meeting.



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Reiterate View that Flood Insurance Can't Be Written

WASHINGTON—J. Victor Herd, president of America Fore and chairman of a special committee of American Insurance Assn. to study floods and flood damage, testified on flood coverage before the securities subcommittee of the Senate committee on banking and currency. H. W. Yount, vice-president of Liberty Mutual, put in a statement on behalf of American Mutual Alliance.

(In the meantime, Commissioner Bisson of Rhode Island called a meeting of the flood and hurricane committee of National Assn. of Insurance Commissioners for March 13 at National Board rooms in New York City.)

Mr. Herd reiterated the position of insurers, that specific flood insurance covering fixed location properties in areas subject to recurrent floods cannot feasibly be written because of the virtual certainty of loss, its catastrophic nature and the reluctance or inability of the public to pay the premium charge required to make the insurance self-sustaining.

Noting that the relief aspects of flood catastrophes should be separated from the insurance aspects, Mr. Yount declared that from an insurance standpoint it should be perfectly obvious that areas regularly subject to flood cannot be insured. Insurance, he added, is a means by which individuals, as a result of choice, can protect themselves. They do not always do so, viz., property uninsured against windstorm. As to private insurance of flood damage, he called attention to the absence of a method of spreading the risks, the difficulty of accumulating catastrophe reserves under present income tax laws, etc.

Both Mr. Herd and Mr. Yount reiterated the willingness of the insurance business to make its facilities available in case a flood damage or indemnity program is enacted by Congress or any state.

Fidelity & Deposit Speeds Bank Pay-Off

Fidelity & Deposit paid off nearly \$10,000 to Norwood, Mass., Bank & Trust Co. less than 24 hours after the south Norwood branch was robbed by a lone bandit.

Charles E. Lowman, Fidelity & Deposit adjuster, and Carroll P. Nead, head of Frank A. Merrill agency, presented the check to the bank. No trace of the gunman or the stolen bills has been found.

Ind. Claim Group Elects

Indiana Assn. of Surety Claim Men has elected John Niermeyer of Manufacturers Casualty president, Charles Wells of American Surety vice-president and Harold Uhrig of U.S.F.&G. secretary.

Dealer Floaters Ruled Not IM

The committee on interpretation has decided seven dealer floaters and floaters on wholesale groceries and beer should not be classified as marine or inland marine. This reverses its previous interpretations 49 and 69. These classes are included in commercial block policies of Inter-Regional Insurance Conference, the rating of which is done by Inland Marine Insurance Bureau, National Bureau and fire rating organizations in the various states.

Md., N. Y. Get Auto Compensation Bills

A bill has been introduced in the Maryland legislature which would establish a compensation system for automobile bodily injuries or deaths. The bill would amend the workmen's compensation law to effect this purpose, and would make registration of motor vehicles contingent upon proof of possession of "an effective motor vehicle compensation policy."

If two insurers refuse to write coverage for a motorist, a state accident fund is available under the bill for the writing of such coverage. The commissioner of the state accident fund would fix the rates for such insurance. There is also proposed an uninsured motorist's fund for payment of benefits in cases of injury involving a motor vehicle uninsured contrary to law, an uninsured out of state driver, or a hit and run driver. The schedule of benefits would be the same as under workmen's compensation. No defendant could plead as a defense that the injury was caused by the negligence of another person.

An auto BI compensation bill also has been introduced in the New York legislature.

Adjuster Files for N. C. Commissioner

John N. Frederick, who operates Piedmont Adjustment Co. in Charlotte, N. C., has announced his candidacy for North Carolina insurance commissioner. He will oppose the incumbent, Commissioner Gold, in the May 26 primary. Mr. Gold has also formally filed as a candidate. Mr. Frederick ran for the post in 1952 but was defeated by former Commissioner Cheek.

Gold to Rehear N. C. EC Filing March 20

Commissioner Gold has set March 20 for rehearing North Carolina Fire Insurance Rating Bureau's extended coverage filing calling for increases averaging 34%. The bureau cut its request for increases in half after Mr. Gold turned down the original proposal in January.

Mr. Gold planned to rehear the bureau's fire rate filing on Feb. 28, following a hail rate hearing.

Honor New Managers

Warren L. Wright of Aetna Fire and Roy A. French of Fireman's Fund, both of whom were recently appointed New Hampshire managers of their respective companies, will be honored March 5 at Manchester country club by Manchester agents.

Hartford Accident Gets Cal. Bond

Hartford Accident is surety on a \$1,349,950 contract awarded to H. B. Nicholson of Pasadena by the Metropolitan Water District of Southern California for construction work on five pumping plants on the Colorado river aqueduct.

More States Okay Block and Floater

Six more states have approved the mercantile block filing of Inland Marine Insurance Bureau. The states and effective dates are Delaware and Pennsylvania Feb. 24; Florida Feb. 8; Vermont Feb. 27; and Iowa and Mississippi March 1.

The filing in Pennsylvania has been accepted by the insurance department on behalf of IMIB members that are also members or subscribers to Middle Department Assn. of Fire Underwriters and National Bureau. Companies that are not members or subscribers of the three bureaus must make direct filings with the insurance department indicating the portions of the coverage that will be supported by filings to be made by bureaus of which they are members or subscribers.

The IMIB personal articles floater filing has been approved in Arkansas, Hawaii, Louisiana, New Hampshire, New Jersey, Texas and Virginia.



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600 Attend Michigan Midyear at Detroit

(CONTINUED FROM PAGE 1)

Mr. Esper remarked that the insurance business is far from static, and the tremendous attendance at the mid-year meeting was evidence of the determination of association members to progress.

M. Frank McCaffrey of Detroit delivered the legislative report, noting this is a so-called short session of the legislature. Insurance matters are at a minimum, the insurance people among themselves having agreed to put their emphasis on recodification of the insurance laws. This bill has passed the house in 510 pages and is expected this week to clear the senate committee. It required many meetings and hearings to put this measure into shape without doing violence to the intent of the law, Mr. McCaffrey remarked. The code bill has approval from Michigan Bar Assn. and from Michigan State university, he said,

The previous evening Commissioner Navarre had touched on legislative matters in addressing the association executive committee, saying the department is thinking about revising its fee schedules. He said a \$2 fee costs the department 58 cents to accept, and that if the applicant doesn't pass his examination it costs \$2 more to issue a check to return the money. There have been some internal revisions in handling this billing, but there is still an imbalance in this area.

Commenting on the recodification bill, the commissioner said the next step is to revise the laws by abolishing obsolete sections and making improvements in the others. He said within four years it is hoped the entire statute will be revised, chapter by chapter.

One of the hottest issues in Michi-



Commissioner Navarre, left, pictured at the Detroit midyear meeting of Michigan Assn. of Insurance Agents with three association leaders, Gerry Fauth, Flint, president; Jack Butterick, assistant manager, and W. O. Hildebrand; secretary-manager.

urging the agents to recommend approval by their senators.

The association had intended to sponsor a surplus lines bill, and even had it drawn, but held it over in favor of putting all effort on the code, and the same action was taken on a bill to supervise insurance counsellors.

Other bills now pending, Mr. McCaffrey said, would prohibit the department from licensing a government owned insurer (favored by the agents), would allow group life to be written on 10 lives instead of 25, and permit A&S companies to exclude payments on government hospital treatment of insured. There also are 18 bills on workmen's compensation, mostly for an increase in benefits, and Mr. McCaffrey commented that something is bound to go through on this. There are three bills for comparative negligence (opposed by the agents), 24 bills on safety, which is regarded as standard for the course, and two on boiler inspection, two on compulsory automobile, and one on compulsory disability benefits. The worst measures, those on compulsory auto and disability, are not expected to pass.

FIRE AND CASUALTY FIELDMAN—Western Pennsylvania, Northern West Virginia. Headquarters Pittsburgh. Fine Stock co. \$7,000. Employer will be in Pittsburgh next week.

ASST. COMPTROLLER—Casualty & Fire Co. Heavy knowledge accounting, systems and procedures and I.B.M., some personnel involved. \$12,500.

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The program got into its selling phase early with a talk by Joseph W. Thompson, sales specialist in the college of business and public service at Michigan State university, whose discussion of "Creative Selling" went into some of the fundamentals. Mr. Thompson listed personality, product knowledge and information about the prospect as the essentials of salesmanship. Although all three are needed, the emphasis can be on any one of them. In insurance, he said, the command the agent has of the techniques of salesmanship, plus his product, makes the difference in competition. He warned against distracting mannerisms, saying the most frequent offenses, according to a survey, are combing the hair, working the sleeve, jingling coins, wrapping on the desk, or looking at a watch when the customer is talking.

Visualization, Mr. Thompson declared, is the most important part of selling. More than words have to be used. When talking to a prospect, it is important to watch his reaction, and

(CONTINUED ON NEXT PAGE)

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to keep the interest up by asking: "Do the agents call on the doctor as a patient, and when they are admitted to his office ask him how much he charges for an office call. Then they remark to the doctor that he is in his profession to help protect the health and welfare of the public, but he is the only business man in the country who does not build up an equity in his business. The agent then

Mr. Thompson stressed the need for the agent to free himself of old methods of selling. He mentioned an idea which the life insurance business has used to gain entrance to doctors. Instead of trying to make an appointment in advance, which is difficult,

gives the doctor the fee for an office call and says he wants to describe how the welfare of the doctor's family can be protected.

To open the Thursday afternoon session, officers of Fidelity Appraisal of Milwaukee gave a skit on the value of appraisals in the settlement of a loss.

One of the highlights of the meeting was the discussion by Stuart W. Doty of Grand Ledge on the safe-teen program. Originally Mr. Doty had been scheduled to give a talk on the history and growth of safe-teen, but his material developed into a first-hand account after he was contacted by two high school youths from a Detroit suburb, who saw in the newspaper that Mr. Doty was to talk on safe-teens. These two boys came to the meeting and were interviewed before the audience, relating how safe-teen works in their school.

Mr. Doty explained that the safe-teen program capitalizes on teen age pride and unity to promote safe driving. There are no dues, and once it is agreed to start a program the young drivers bring to the volunteer administrator their driver's licenses and certificates of automobile safety. Members get a luminous bumper strip and membership card, which they keep as long as they are free from accidents. Safe-teen drivers have been trailed long distances and have proved their sincerity, Mr. Doty remarked. The program is now in operation in 18 states and has 100,000 members, and there has been a noticeable accident rate reduction in these areas.

The two boys from Lake View high school said the program in their school was started by two probate judges, who suggested the young people write to Oregon (where the program originated) and get information. The high school principal was enlisted as administrator, and at the first meeting 73 boys signed up, and there are now 85% of the high school drivers in the club. The few who are not in the club, the boys said, are split between chronic scoffers and those who feel left out but are afraid to admit their change of view. The club has assumed an importance in the school and has put a sense of responsibility in the young driver members. The members hold court for both non-police and ticketed violations and offenders are put on probation or have their bumper strips removed. They work with the courts and the members watch each other.

Mr. Doty said safe-teen is an excellent program for agents to promote in that it offers good publicity at low cost and little expenditure or time. It is a fine safety effort, and it is something the competitors certainly will move on if the agents don't.

Robert H. Meade, assistant manager of the farm department of Home, showed a slide film prepared by his company on farm insurance, and in his remarks afterwards said if he could talk a farmer out of the price of a dozen eggs per day, the agent could increase his commission income \$12,000 a year. "For this kind of commission, you can afford to sell the farmer and then give him the hen to lay the eggs," Mr. Meade observed.

Selling the farmer is a challenge, he said, but to overcome it is highly profitable. Comparing the farmer to the head of a corporation, Mr. Meade said the board of directors are constituted of his family and all should be on hand when the agent makes his presentation. The farmer's wife frequently keeps records and the children usually are in the know as to farm

problems, income and outgo of money. In addition, getting the whole family together means that all of them will be sold, and the youngsters might well be future policyholders.

A farmer is sold, Mr. Meade remarked, because of two factors—what the policy will do for him, and whether he can afford it. Whenever the farmer asks what the cost is, Mr. Meade advised not quoting figures immediately, but to translate them into terms of eggs, corn, pigs, etc. The farmer understands this language and it is a psychological way of telling him painlessly. Each farm product is looked on by the farmer as an item of purchasing power.

Mr. Meade said today's farmer for the price of a dozen eggs can receive \$25,000 fire and EC on its buildings and household goods, or \$40,000 in a farm blanket personal property policy. A blanket personal property coverage is the fastest selling farm insurance on the market today, he added, and is a contract that has caused unrest among the mutuals. One agent sat in his car on a street in a farm town and called four farmers over to discuss this coverage and they all bought, and all had been insured in the farm bureau. Mr. Meade said he knows this to be true because he was in the car also. However, most farm business has to be sold on the farm, it doesn't come into the agent's office.

Arthur M. O'Connell of Cincinnati, a member of the executive committee of the national association, spoke on the agent as a salesman. His talk is reported on page 3.

At the banquet Thursday evening the speaker was Gene Flack, sales counsel and director of advertising of Sunshine Biscuits.

Robert G. Schirmer, Saginaw, the vice-president, presided at the Friday morning session. This constituted a departure from custom in that the president heretofore has had charge of all meetings. Mr. Schirmer explained that Mr. Fauth wanted to give his successor a little practice.

Speakers during this meeting were Jack Butterick, assistant secretary of the association, and Darlyle M. Waters, director of the agency license division of the Michigan department.

Mr. Butterick, who has the facility of explaining a difficult subject in simple terms and even making it sound easy, talked on commercial block policies, outlining the situation as it stands in Michigan. After he had gone through the coverages now available through four companies now writing commercial block—Aetna Fire, Great American, American States and Federal—he explained that Inter-Regional Insurance Conference has its form filed with the department and probably will get approval before March 10. Nevertheless, his was a discussion which offered an excellent insight into the philosophy and practices of commercial block and alerted the agents to a coverage they will of necessity have to learn.

The IRIC filing calls for a \$100 minimum on the non-reporting form and \$250 on reporting block policies, Mr. Butterick said. When the IRIC form is approved he predicted Aetna and Great American will withdraw their coverages, but Federal will continue an independent filing. The IRIC plan will be rated by the inspection bureau, and it may take a little time to promulgate a final rate for some of the risks, "about four days," Mr. Butterick remarked, adding: "I'm kidding, of course, it's more like eight months."

An agent writing commercial block

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Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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General Fire and Casualty Company's expansion program provides opportunity for outstanding man as branch manager in Pittsburgh. Reply to: Personnel Department, 1790 Broadway, New York 19, N. Y., stating age, education and experience.

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Casualty Man for large well-established Wisconsin local and general agency. We are interested in a man between the age of 28 and 38, who has had a sound casualty insurance background and who has also had a successful production record. We are interested in a young man who is anxious to become affiliated with a progressive stock company agency. Write Box K-99, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Experienced in opening up new states, appointing Managing General Agent and supervising Special Agents in all territories for casualty and fire. Prefer extensive traveling. Reply to Box K-27, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Young man now Assistant Treasurer multiple line company desires change offering improved opportunity. Well qualified all phases insurance company accounting, convention statements, taxes and etc. Supervisory knowledge of IBM system. Southeastern States, preferably N. C. area. Excellent references. Address Box K-91, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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FIRE FIELDMAN

Large Multiple Line Agency Mutual, located in middle west, has outstanding opportunity for fire fieldman—age 25 to 35. Territories open in Kentucky, Tennessee and West Virginia. Box L-4, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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or any type of insurance work in Chicago that can be done at my home. Can arrange to have work picked up and returned to your office regularly. 30 years experience. Excellent references. Address Box K-98, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

KANSAS FIELDMAN WANTED

Expanding Midwestern Multiple-Line Stock Insurance Company desires experienced fieldman. Your inquiry invited. Replies confidential. Write Box K-88, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED: CHIEF FIRE UNDERWRITER—MIDWEST

Opportunity unlimited for right man, age 30 to 40, whose experience, education, personality and ambition qualify him for this position. Salary open. Send full particulars in confidence. Our staff knows of this advertisement. Address Box K-73, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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will have to learn how to rate it and the agent's rate will be submitted to the inspection bureau which will come up with the final and exact rate. Thus, what the agent quotes will be tentative and subject to bureau change. During the question period, one of the agents asked if this means that the inspection bureau will be checking the fire and EC rates and possibly "goofing them up too." Mr. Butterick said it probably does.

Since the IRIC coverage is based on the California policy, Mr. Butterick opined the debit and credit rating will be introduced in Michigan in two or three years.

Some of the headaches Michigan department has in its licensing division were brought up by Mr. Watters, who said the most frequent problem is failure of an agent to report on his license the corporate name under which he does business. Many agents apply for licenses under their proper name and then go into business as Honest Joe insurance agency. The department has no record of Honest Joe and upon inquiry from the public they must say that so far as they know Honest Joe is not licensed.

In recent months the department has embarked on a stiff program of enforcing the licensing rules, Mr. Watters said, because two investigators have been hired. The highest fine assessed so far is \$600, and this is an indication that action will be taken.

The department receives some complaints on rebating, but there are more on improper town classifications, which fall into the same area. In one town, he said, a number of agents are going to be irritated when they have to change quite a few policies to class 10.

Mr. Watters reviewed a number of infractions of rules which can lead to serious consequences, mentioning among these the writing of business in unauthorized companies. He said excess business is only that which cannot be put in any admitted company, and before an agent can engage in excess he has to have a special license and a \$2,000 bond.

Mr. Watters admitted the department has been weak on enforcement, but the two investigators have done so well since they joined the staff that the files have been pretty well cleaned up and "we are about ready to start on some cold canvassing."

Commissioner Navarre wound up the meeting with his address at the luncheon Friday. Ever since he took office, Mr. Navarre and members of his staff have attended all of the Michigan meetings, and the department and the agents work together closely. This does not, however, prevent Mr. Navarre from chastising the agents when he thinks they are wrong, and in his luncheon address he stressed, as he has in the past, the necessity for service.

The agent believes himself entitled to commissions on renewal business, but those renewal commissions are predicated on furnishing service, Mr. Navarre said. Discussing association membership, he said the stamp of approval from competitors is a mark of quality, and membership in a trade association is an indication of such approval. He commented that agents are part of the whole chain of insurance, and a weakness or criticism directed at them is a reflection of the whole agency system. Knowledge of the business is a necessity if quality service is to be rendered.

Gold, Holz Testify on Flood Coverage

WASHINGTON—Commissioner Gold of North Carolina and Superintendent Holz of New York presented statements for themselves and their governors to the Senate subcommittee on securities which is holding hearings on flood insurance legislation.

Mr. Gold supported the principle of federal disaster insurance if private insurance is unable promptly to provide adequate coverage. He opposed any attempt to allocate to individual states the burden of sharing in premium costs. During 1954-55, he said, North Carolina sustained hurricane damage of more than \$30 million, most of it from high tides and inundation. Less than 10% was covered by insurance and that mainly for wind damage.

Since then, he added, some insurers have cancelled or failed to renew wind cover so that North Carolinians are left without means of protecting themselves. In some fashion or other persons in areas subject to natural disaster must have protection available, he declared.

Mr. Holz termed the proposed federal flood insurance act a soundly conceived program and he urged its adoption. For practical purposes, he declared, it can be said that not a single dollar of the flood damages of 1955 were covered by insurance.

Mr. Holz urged that any system of natural flood insurance be as nearly possible nationwide, rates be varied to discourage construction in exposed areas, rates be low enough to make cover available to the small property owner who needs it most, experience and facilities of private insurers be enlisted as much as possible, and the government should not offer any type of insurance already available from private insurers and should be ready to withdraw if private insurers find it possible to write the cover.

These principles, he believes, are embodied in the Lehman-Kennedy bill.

Urges Agents to Be Salesmen, Not Consultants

(CONTINUED FROM PAGE 3)

of insurance. These are long, technical masterpieces incomprehensible to anyone who is not a CPCU. This technique usually sets out several propositions for the customer to consider and winds up asking the prospect to call the agent or write a letter when he has made up his mind.

"Our customers are puzzled by the disinclination of so many of us to consider ourselves a salesman and to follow the time tested tactics of our trade," he observed. "When we drop our shyness and our reticence, when we emerge from our professional cloister and come out blasting we are doing that which we are expected to do and we are assuring ourselves of a successful career."

The competition, he added, is interested in making money and not in being advisors, counsellors or consultants. "They oughtn't to think that way, but they do and the agent who does not profit by their example is facing an uncertain future."

At a meeting of a committee of agents and company men in New York recently, one of the executives said he thinks a lot of agents are just handling the business they want to write and allowing the rest of it to escape from indifference. They are not training young people or hiring salesmen. This is a correct appraisal, Mr. O'Con-

nell said. Many agents handle excess business sloppily and inefficiently, or even reluctantly, rather than turn it over to someone else. Other agents say they are too busy to see new prospects or even their own customers, but "this sort of short-sighted policy is the greatest favor we can confer on our always aggressive direct writing competitor and is almost an absolute guarantee of his success in any community served by such a dim witted agent."

Campbell Elected Head of Ohio Mutual Group

Ohio Assn. of Mutual Insurance Companies, at the annual meeting, elected the following officers: President, Forest Campbell, Lakeville; Vice-president, Cade Schulenberg, Minster; Secretary-treasurer, K. G. Rhode, Wooster; and Directors, Paul Krauter, Bucyrus; B. R. Engel, Salem; R. E. Felts, Mansfield; C. L. Mitman, Springfield, and H. H. Lugar, Bellefontaine.

More than 300 persons attended the two day session at Columbus and heard addresses by Claude L. Miller, retiring president; D. T. Hawkins, Mutual Loss Research Bureau, Chicago; J. L. Blubaugh, chairman of farm mutual legislation committee, Harry P. Cooper Jr., secretary of the national association and David V. Hock, former mayor and attorney of Allentown, Pa.

H. H. Lugar, chairman of Mutual Insurance Service Bureau, and Richard A. Anderson, manager of Ohio-Michigan district of U.S. chamber of commerce, also spoke.

North America Plans to Increase Shares in Employee Stock Plan

Stockholders of North America at the annual meeting March 21 will be asked to authorize the reservation of 150,000 shares of stock to be used in the company stock option plan for employees. The plan, which was established in 1951 with 150,000 shares to be optioned to officers and key employees, has nearly exhausted the original allotment. The stockholders will be asked to allow a maximum of 300,000 shares under the plan.

Also, there will be a vote to allow authority for North America to do business in Brazil. Such authority is ordinarily within the powers of the board, but the laws of Brazil require stockholder authorization.

Put Lid on Lump Sum WC in R. I.

Rhode Island workmen's compensation commission has issued new rules under which it will not consider lump sum settlements of WC if attorney's fees exceed 15% of the first \$1,000 and 10% of any amount over \$1,000. Another rule would assess a \$50 fee against the employer who loses a petition to review the worker's incapacity. The fee would help defray the worker's legal costs in such an action.

A bill has been introduced in the Rhode Island legislature for incorporation of A.D.A. Ins. Co. with \$2 million capitalization to write automobile cover. A.D.A. stands for automobile dealers' association and the bill is backed by auto dealers of the state. The company originally was projected to offset efforts of Rhode Island Assn. of Insurance Agents to get a law which would require auto dealers who place insurance to meet certain standards.

A bill has been introduced in the Rhode Island legislature to amend the charter of American Universal to increase its capitalization from \$1,500,000 to \$2,500,000.

U.S.F.&G. Elects Gragg V-P; Makes Department Shifts

U. S. F. & G. has elected Willford Gragg vice-president, Wilbur F. Smith,



Willford Gragg

assistant vice-president and John R. Johnston and Kenneth S. Teeple, assistant secretaries.

Mr. Gragg, former assistant vice-president and associate agency director, will head the newly organized research and review department. He left private law practice in 1937 to join the company. Before transferring to the home office, he was at Memphis, Tulsa and Oklahoma City.

E. G. Hundley, vice-president in charge of the contract bond department, has been named head of the newly-consolidated fidelity-judicial and contract bond department. F. C. Ayres, assistant vice-president, will be his assistant. Mr. Smith will be with the new department.

Mr. Teeple continues as superintendent of judicial. Mr. Johnston will supervise the contract department.

Henry G. Saches, assistant secretary, has been named superintendent of the mercantile-official bond department.

Texas to Tax Lloyds Business 5%

The Texas department has reached an agreement with Lloyds of London under which a 5% tax will be imposed on Texas surplus insurance written in Lloyds. It is estimated Lloyds writes about \$30 million of excess business in Texas annually, and this would produce a tax of \$1½ million.

Chicago Fire Protection Engineers to Meet

Chicago Society of Fire Protection Engineers will hear a discussion of "Fire Hazards in the Utility Industry" by Harry M. Hills, 1st vice-president of the chapter and fire protection engineer for Commonwealth Edison Co., at a meeting March 5 in the Midland hotel.

Mr. Hills will be aided in his presentation by member of his staff.

Casualty Underwriters Show Gain

Casualty Underwriters of St. Paul had written premiums of \$3,053,395 in 1955 for a 33.48% increase over the previous year. Underwriting profit was \$50,150 and investment gain was \$98,214. Assets increased by \$800,000 during the year to reach a total of \$3,508,296.

Eaton County Agents Elect

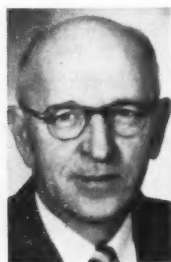
Jack D. Cook has been elected president of Eaton County (Mich.) Assn. of Insurance Agents to succeed William Powers. Roy G. Hemminger was named vice-president and Michael Montie was elected secretary.

Would Require Agents' Offices

A bill introduced in the New York legislature would require that licensed insurance agents and brokers have a definite place of business in the state with a sign indicating the name and business of the agent or broker as such on the outside of the building or at the main entrance.

National of Hartford Promotes Zook and Others

(CONTINUED FROM PAGE 1)
versity with additional courses at Washburn college. In 1925 he entered a local agency at Ottawa, Kan., and joined National of Hartford group in 1926 as special agent in Kansas. In 1935



W. F. Martin



L. M. Brown

he was transferred to Michigan as special agent and appointed Michigan state agent in 1936. In 1941 Mr. Zook was made agency superintendent in the western department and in 1944 was promoted to assistant manager. He was appointed associate manager in 1951 and has been the first executive assistant in the western department. He is a member of the public relations committee of Western Underwriters Assn. and is on the managing committee of Farm Underwriters Assn.

L. N. Bowen began his insurance career with the Michigan Inspection Bureau, later entering company work in Michigan as an engineer and special agent. He joined National in 1936 as Wayne county superintendent in Detroit. He was transferred to Chicago in 1940 and appointed agency superintendent. In 1944 he was promoted to assistant manager.

W. F. Martin started with National in 1917 as an assistant examiner and in 1920 was transferred to the farm department as fire assistant. In 1936 he was made examiner in charge of the Indiana, Iowa, and Minnesota underwriting department. In 1951 he was appointed farm and hail superintendent and in 1952 superintendent of the fire underwriting department. In 1953 he was promoted to agency superintendent and in 1954 to assistant manager.

Midwest Storm Loss to Exceed \$4½ Million

(CONTINUED FROM PAGE 1)
There are some 600 losses in Kennett and Poplar Bluff averaging \$50 and some 1,000 losses in St. Louis averaging \$100.

ILLINOIS—The storm developed its maximum force in the East St. Louis area resulting in an estimated 1,500 losses averaging \$100. The small town of Summerfield was as hard hit as any. Tornadoes resulted in a total estimated loss of \$200,000. Reports from Belleville estimate a total of 2,000 losses averaging \$100. There are also some 1,600 losses averaging \$50 in the Centralia, Harrisburg and Carbondale areas.

INDIANA—The storm continued through Indiana where it resulted in some 4,000 losses averaging \$50 at Bloomington, Terre Haute, Indianapolis and Vincennes. Shelbyville and Greensburg, where the storm struck with full fury, expect more than 1,000 losses averaging \$200. There were also some 1,200 losses averaging \$50 at New Albany, Crawfordsville, Kokomo and Richmond.

KENTUCKY—The winds diminish-

ed to 50-65 mph when they struck Kentucky resulting in some 1,000 losses at Lexington, 600 at Louisville, 500 each at Bowling Green and Madisonville and 400 at Owensboro, all averaging \$100. There were also 1,000 losses at Paducah averaging \$50.

OHIO—The storm entered the southwestern corner of Ohio near Cincinnati at about 6 a.m. Saturday morning and in six hours had whipped across the entire state except for the Toledo area. Hamilton was hardest hit and suffered one of the largest individual losses when 85 mph winds ripped 5,000 square feet of roofing from the plant and offices of the Lodge & Shipley machine tool manufacturing company exposing the buildings to heavy rain damage. The loss has been estimated at \$100,000. There are also some 20 losses in the state which should run to \$50,000 each. There are about 2,000 losses averaging \$200 in the state and another 50,000 averaging \$50.

Western Adjustment has supplemented its regular staff of some 175 by sending more than 100 additional men into the storm area—most of them to Ohio. Storm offices have been opened at Belleville, Hamilton, Vincennes and Youngstown.

National Board has assigned catastrophe number 69 to the storm.

TEXARKANA LOSS HEAVY

Total losses from a severe wind and hailstorm which struck the city of Texarkana on Feb. 16 have been estimated at \$1,602,500 by General Adjustment Bureau. Winds reached 30 to 35 mph and hailstones were up to one inch in diameter. There was more damage to the Texas side than the Arkansas side of the city with Texas claims estimated at 5,000 and averaging \$150 and Arkansas claims totaling 2,500 and averaging \$125. GAB has opened a storm office in the city.

Hinkelman Joins General of Trieste

General of Trieste has appointed Allen J. Hinkelman branch secretary at New York City. He will have underwriting and administrative duties in conjunction with those of A. R. William Wang, underwriting manager.

Mr. Hinkelman entered reinsurance with Sterling Offices and, after military service, became manager of the foreign department of Royal-Liverpool group in New York City. For the past five years he has been vice-president and secretary of Christiania General.

Sees Wash. Auto Rate Boost

Commissioner Sullivan of Washington has predicted a substantial increase in automobile rates as a result of increased highway accidents in the state.

He said the "inevitable" increases would not be felt by auto owners until late 1956 or early 1957 because of the lag in translating changes in accident rates into auto insurance premiums.

There were 81,884 auto accidents reported to the Washington license department in 1955 as compared with 67,034 in 1954 for a 22% increase.

South Bend-Mishawaka (Ind.) Assn. of Insurance Women will sponsor an education day, March 17, at the Oliver hotel, South Bend. Speakers include W. Harold Phillips, special agent for Home; Thomas E. Reed, manager of Underwriters Adjusting at South Bend; Ward H. Hackleman, special agent for American; Miss M. L. Feldman of the Apsy-Somerville agency of Indianapolis and Miss Clare S. McKnight of Detroit, region IV director of National Assn. of Insurance Women.

State Farm Auto Premiums Pass \$225 Million

Earned premiums of State Farm Mutual Automobile in 1955 amounted to \$231,375,423, a 12% increase over 1954. The total includes \$225,754,503 of automobile business. Direct premiums were \$235,880,138, up 14%.

State Farm last year opened agency operations in New York and New Jersey.

The company showed an underwriting gain in 1955 of \$14,868,181, as against \$25,536,433 in 1954. Investments returned a net of \$7,802,677 and there was a realized capital loss of \$19,654. After unrealized capital gains of \$1,529,927 and miscellaneous adjustments, State Farm added \$2,910,000 to excess reserves for liability losses, \$1,543,345 to an investment fluctuation reserve, and \$13,548,492 to surplus.

As of Dec. 31, assets were \$331,307,666, and surplus to policyholders \$118,833,889. Loss reserves were \$96,699,402, unearned premiums \$70,726,857, voluntary loss reserves, \$16,840,000, investment fluctuation reserve \$4,011,085, and reserve for inflationary trends \$10 million.

Van Orman, Berry to Bar Committee

At a meeting in Chicago, the American Bar Assn.'s national conference of lawyers and adjusters, known as the conference committee on adjusters, elected Francis Van Orman, vice-president and general counsel of American, secretary. Mr. Van Orman has been a member and represents Assn. of Casualty & Surety Companies on the committee. He succeeds Harlan Don Carlos of Travelers, who has retired. He represented International Claim Assn. on the committee.

Kenneth Berry of Lumbermen's Mutual Casualty was elected a member of the committee, representing International Claim Assn. National Assn. of Independent Adjusters, American Mutual Alliance, National Assn. of Independent Insurers, and National Board also have representation on the committee for the adjusters' interest. There are in addition six members representing the bar association. Oscar J. Brown, Syracuse, N. Y., attorney has been chairman of the committee since its inception in the late 1930s, and Mr. Don Carlos has been secretary from the inception. The bar association has several such conference committees, with bankers, realtors, life agents, etc.

Galbraith to American Auto

Winston C. Galbraith has returned to American Automobile and Associated Indemnity as a field underwriter at Oklahoma City.

Mr. Galbraith started in insurance in 1935 as a claim adjuster with Associated Indemnity. He spent eight years as an underwriter and office manager of two agencies in Oklahoma City and for the last year, operated his own agency there.

Win Traffic Safety Contest

Lancaster (Pa.) Claim Men's Assn. has been awarded first prize in the city's 1955 traffic safety campaign. A bronze plaque presented by Major Bare was accepted for the association by S. G. Roshak of Hartford Accident, safety committee chairman.

The winning campaign emphasized

courtesy as a contributor to traffic safety. The claim men selected a most courteous driver, pedestrian and driver-pedestrian, secured 3,700 signatures to a "code of the road" and erected an exhibit of a wrecked automobile in the city square.

Houston Fidelity Unit for Travelers

Travelers has installed a fidelity and surety department in its Houston branch. Previously these lines have been under the jurisdiction of the Dallas branch.

Raymond B. Moses continues as manager of casualty, fidelity and surety lines at Houston. Wallace P. Williams, former assistant manager of fidelity and surety lines at Richmond, Va., has been appointed superintendent of F&S lines at Houston and Holway D. Farrar Jr., formerly field supervisor of F&S at Dallas, has transferred to Houston as F&S field supervisor.

Mr. Williams joined Travelers in 1949 as F&S field supervisor at Richmond and in 1954 became assistant manager of those lines there.

Mr. Farrar went with the company in 1952 as an F&S field supervisor at Los Angeles. In 1954 he transferred to Dallas.

San Antonio CPCUs Elect

Charles F. Nichols of Nichols Adjustment has been elected president of San Antonio CPCU chapter.

Paul Schooler of American Indemnity was named vice-president and E. L. Donaldson of the Johnston-Ramsdell agency was elected secretary-treasurer.

H. L. Davis & Son, managing general agents of San Antonio, has concluded a meeting of its field force at the home office, and this was followed by a bond and burglary school sponsored by Maine Bonding.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co. 135 S. LaSalle St., Chicago, Feb. 28, 1956.		
	Bid	Asked
Aetna Casualty	108	115
Aetna Fire	71½	73
Aetna Life	199	202
Agricultural	35	36¼
American Equitable	36	37½
American Auto	25½	26½
American, (N.J.)	31½	32½
American Motorists	14	15
American Surety	93	96
Boston	38	39
Camden Fire	27	28
Continental Casualty	118½	120½
Crum & Forster com.	63	65
Federal	37½	38½
Fire Association	58½	60
Fireman's Fund	67	68½
Firemen's, (N.J.)	42½	43½
General Reinsurance	49	50½
Glens Falls	69½	71
Globe & Republic	21	22½
Great American Fire	33½	39½
Hartford Fire	163	166
Hanover Fire	46	47
Home (N.Y.)	46½	47½
Ins. Co. of No. America	110	112
Maryland Casualty	36½	37½
Mass. Bonding	42½	43½
National Casualty	55	59
National Fire	102	104
Nation Union	42	43½
New Amsterdam Cas.	49	50½
New Hampshire	42½	44½
North River	39	40½
Ohio Casualty	96½	Bid
Phoenix, Conn.	18	33
Prov. Wash.	24½	25½
St. Paul F.&M.	54½	56
Security, Conn.	51	53
Springfield F.&M.	66	68
Standard Accident	55½	57
Travelers	77½	78½
U.S.F.&G.	59½	60
U.S. Fire	28	29

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selling hats or selling Insurance...



IT'S WISE TO MERCHANDISE

Some ladies seek "Paris" millinery; others are in the market for more modest merchandise. But both demand "individuality." There is nothing so personal as a lady's requirements in hats.

Insurance is a matter of personal needs, too. American agents recognize this and use the flexible American Family Protection Plan to sell complete accounts of insurance to all segments of the American economy.

The American Family Protection Plan guides the prospect logically and convincingly to adequate coverage via simple, down-to-earth explanations and dramatic illustrations. It offers a prospect an individualized protection plan designed with his needs and means in mind.

Find out how you can earn more with this proven method of selling insurance. Mail the coupon below for your free copy of The American Family Protection Plan booklet.

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<p>THE AMERICAN INSURANCE CO.</p> <p>BANKERS INDEMNITY INSURANCE CO.</p>		<p>THE AMERICAN INSURANCE GROUP 15 Washington St., Newark, N. J. Public Relations Dept. E-3</p> <p>Send me a free copy of The American Family Protection Plan Booklet which will help me to increase my earnings.</p> <p>Name _____</p> <p>Company _____</p> <p>Address _____</p> <p>City _____ Zone _____ State _____</p>
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REPORT ON STATE FARM / Agency Force



SELLING THREE TYPES OF INSURANCE under State Farm's "multiple line" plan keeps Glen Dittus and his able assistant (wife "Sandy," above) on a busy schedule. Although he had no sales experience before joining State Farm in 1947 . . . although his career was interrupted by a recall to military service during the Korean conflict . . . Dittus qualified for the company's "Leaders' Club" in 1953 and 1954. He also graduated from Purdue University's Life Insurance Marketing Institute.



SERVING AN AUTO POLICYHOLDER, Glen Dittus visits a local garage to inspect damages and speed repairs. This is part of his job under State Farm's "personal touch" claims handling system. It is also a valuable opportunity to cement good will with his insured (an important consideration when you also sell life and fire insurance).



SERVING HIS COMMUNITY, Dittus devotes time to his duties as Elder of the First Presbyterian Church. He also serves on the Citizens' Committee of Proviso Township High School, as baritone soloist and board member of the Suburban Veterans Chorus, as sponsor and first baseman of a 12-inch softball team (which just won a local championship). A Rotarian, he recently completed a term on his local club's Board.

NEW KIND OF INSURANCE MAN

**GLEN DITTUS OF MAYWOOD, ILLINOIS, TYPIFIES THE
YOUNG MEN WHO ARE BUILDING LIFETIME CAREERS WITH STATE FARM**

Most of the men who have entered State Farm's Career Agent Program have much in common with Glen Dittus of Maywood.

They're independent businessmen who sell all three State Farm lines—auto, life and fire—under a contractual arrangement with the company.

They earn substantial incomes. (State Farm Career Agents with at least one year of service averaged \$9,300.00 per year in 1954.)

They're active in the social, business and civic life of their communities.

Though many of them have had previous insurance experience, they're all eligible for one of the industry's most complete training programs. (More than 6,000 State Farm agents are now participating in classroom, workshop and on-the-job instruction.)

It's the ever-increasing skill and growing number of professional State Farm Career Men—like Glen Dittus—which account for much of the State Farm Companies' success . . . and for the fact that State Farm Mutual insures more cars than any other company in the world.

This is another in a series of advertisements to acquaint you with State Farm Mutual Automobile Insurance Company, Home Office, Bloomington, Illinois. If you want to know more about any aspect of State Farm operations, simply write: "Director of Public Relations."

